

BEN
On stream
On time
with Capper-Neill
Scot Whisk
On site



News Summary

Equities rise 16.7 on week

TREASURY BILL rate rose 0.0851 pc further to £5.7252 pc.

TIN rallied £10 to £1,423.5.

WALL STREETS index ended 2.99 pt at 856.92, or 5.41% on the week.

LONDON EQUITIES had a good week, though the volume of business was only moderate, easier in the first two days, leading shares picked up strongly.

The F.T. 30-share index yesterday

rose 1.84 and the net gain on the week 16.7 at 412.6. The Index is poised to test the July 27 peak

or the rear of 413.2, having

been down to 389.5 since then.

Markings averaged 11,400 sily, compared with 13,500 in the run-up to the index peak.

ome big buyers

be upturn reflected a little more buying by the institutions. In Wednesday, which had the gcses index rise for three months—9.6—a few of the bigger buyers re-entered the market,

ENERAL

IRA crippled —Army

te Army claimed in Belfast yesterday to have eliminated a hard core of the IRA. Brigadier Tickell said officially a number of IRA dead was 15, it the real figure was more likely to be between 20 and 30.

He said the IRA had not been defeated with a capital D, but it undoubtedly suffered a major reverse.

Elsewhere in the city, however, the IRA put some leaders on trial at a Press conference to set that, in fact, they had not been eliminated. But the proceedings came in an abrupt halt when everyone was told to leave in security reasons. Minutes later, an Army patrol arrived.

Apart from some sporadic shooting in Belfast and Londonderry, the province continued relatively quiet.

ynch rebuked

Meanwhile, Ulster Premier Ulster delivered a slashing attack on Irish Premier Lynch or his call for abolition of conscription. He said Mr. Lynch's attitude to the situation has now been exposed as hypocritical.

In Dublin, reaction to Mr. Lynch's remarks seemed to be one of "that's all very well, but how is this objective to be realised?"

In London, the Lynch statement produced no public reaction, although Ministers generally regarded it as "unhelpful."

See Page 13

Syria tanks moving up

olumns of Syrian tanks and tank reinforcements last night were reported to be taking up positions near the frontier with Jordan following more fighting in the border for the third time in as many days.

Meanwhile, Jordan claimed Syrian fighters had strafed a border post, without causing much damage. Page 11

briefly . . .

bleet: Britain's David Glynne won the 400 metres in the British leg first gold medal Helsinki. Page 18

an was charged with causing death of a girl, 16, whose body was found in the garden of an empty house at Hull.

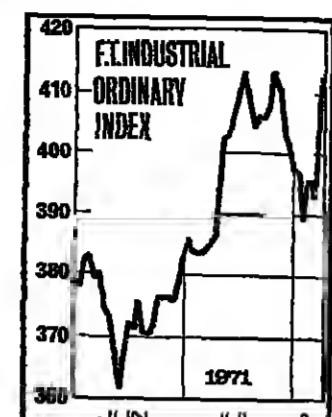
oy April 12 appeared at Cumberwell, London, juvenile court tried of the murder of an 18-year-old man. He was remanded in custody for a week.

dice found a dinghy believed used by two anglers missing in the Thames Estuary off Leigh-on-Sea.

ain America's only surviving heart transplant patient, a man aged 24, died in Valparaiso.

weakly people were slightly improved when a bingo hall ceiling fell in at Eccles, near Manchester.

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No. 25,531

Saturday August 14 1971

** 6p

NEW BID FOR TRUMAN

Take-over Panel to probe buying of Watney shares

BY KENNETH GOODING

The City Takeover Panel last night began an investigation into the big buying of shares in Watney Mann which has added a new feature to the battle between Watney and Grand Metropolitan Hotels for control of Truman Hanbury Buxton, the brewers.

●

Giils move up

Currency uncertainties and the effect of violence in Ulster were balanced by some encouraging company results—notably Ulster's half-year figures—and by the July f43m. visible trade surplus. The bold gains up to f1 yesterday). Giils' index ended 0.79 up on the week at 75.13, only slightly below last month's 76.13 high.

They have, however, withdrawn their recommendation of the Grand Met offer, the formal documents for which will go out this week-end.

●

Business

New offer may come for BSA

● NEW BID FOR BSA may be coming following the withdrawal of Dr. Daniel McDonald. Other parties "have certain proposals under consideration" which could lead to a new offer, said BSA's directors.

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● £5M OFFER by Town and City Properties in cash and stock for the issued capital of Sovereign Securities has been irrevocably accepted by holders of 52.1 per cent. Sovereign shares rose 4p to 99p. Page 14

● BRITAIN IS WELL PLACED for action to refute without risking deterioration in its balance of payments, says Dr. Arthur Burns, U.S. Federal Board chairman, in a report to the Congress Joint economic committee.

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● SHORT-TIME in key motor component plants affects 10,000 workers, it is estimated, now that 1,000 more Joseph Lucas workers are being put on a four-day week, bringing the group total to 3,700 on short time at various plants. But Lucas expects a return to normal working fairly quickly, and other component suppliers hope for improved orders soon.

Page 13

● 200 JOBS WILL BE LOST in a reorganisation of production and management by Hirst and Mallinson, Yorkshire textile group. The Cliffe End (woollen) mills at Longwood, Huddersfield, are to close and staffing at the Bottom Hall Mills, Milnsbridge, is being halved. The aim is to increase activity in worsted and double jersey. Back Page

● UNION LEADERS of 6m. public-sector workers, from dustmen to dentists, laid preliminary plans in London to oppose Government discrimination against public-sector employees. A suggestion for a common class struggle made by Mr. Tom Jackson, Post Office Workers' Union general secretary, got little support. But Iberd was searching for ideas in a TUC paper for more co-operation on low pay, cost-of-living threshold clauses, pension and sickness schemes, minimum pay and job security.

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● DOWN-GRADING of the uranium find of Queensland Mines at Naharlek, Northern Territory, did little more than subdue sentiment in London's Australian mining share market. Among the few shares affected Peko-Wallsend lost 20p at 380p and Pancontinental fell 10p to 60p. Dealings in Queensland Mines are not permitted here.

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The week in London and

The market recovers its confidence

IT HAS been a week of contrasts in the equity market: on Monday and Tuesday the indices were slipping downwards in the face of dollar uncertainties, an uneasy Wall Street and the troubles in Ulster; but then

foreign currency markets, and a stream of mostly cheerful company news, while signs of recovery on Wall Street and the unexpectedly good trade figures released on Thursday helped to stave off the initial hysteresis.

At any rate, some uninspiring interim figures on Thursday from GKN, which is unwilling to commit itself to a forecast of higher profits this year, failed to undermine the general optimism. And the encouraging trade news was just what was required to enable gits to stage an improvement across the board on Wednesday and Thursday, though the volume of trading stayed rather low.

Top performing shares in four weeks to August 12

	% rise
Banks	14.38
Machine Tools	13.42
Aircraft and Components	11.24
Contracting & Construction	8.35
Discount Houses	7.87
All-Share	1.92
The worst performers	% fall
Tobacco	1.25
Entertainment and Catering	5.75
Office Equipment	7.10
Breweries	7.17
Wines and Spirits	10.93

the buyers came back, making Wednesday the best day for the FT Industrial Index in three months with a rise of 9.6 points, while the week as a whole was up 16.7 points to 412.6 against the short-term peak of 413.2 touched last month.

Lying behind the change of sentiment were probably the slightly calmer conditions in

jump before tax surpassed best hopes, leaving profits after six months of 1971 £16.6m. up at £98m. Given the key role played by price increases in the improvement to date, together with a rising trend in edible oil costs, it may be unwise to project this momentum over the year. Yet an earnings rise of around a fifth for the year is now within most analysts' sights.

Disparity

So we are left with a prospective p/e of perhaps 14 at 337p, eminently reasonable given the scope for a more cost-conscious management to improve on last year's margins of under 5% per cent, pre-tax. Yet it is worth noting that the reaction in Amsterdam to this week's news was much more subdued than in London, exaggerating the difference in price performance over the past few months. The flotation of the guilder in May distorts the comparison to a small extent, yet bearing in mind the level of the dollar premium and the part that has played in relative performances in the past, the differential is now very wide by historic standards with NV on a prospective multiple of under 9 in Amsterdam.

A useful yardstick to profitability in the sector came this week in a financial ratio table service by the Sewell Group. Over the past 12 months, average earnings per share have increased by over a third. This has been aided by a general improvement in the return on capital employed together with a swing away from equity funding to longer term loans.

The implications are encouraging for Royal Insurance and General Accident, which also derive about half of their fire and accident premiums from their U.S. business. A feature of the U.S. has been a much more rapid response of motor insurance profitability to rate rises than has been achieved in the U.K. Moreover, claims experience across the Atlantic has taken a significant turn for the better—though whether because of the car safety campaign or a drop in average mileage during the business recession it is hard to say.

But there is probably rather less scope for improvement by Royal (reporting next week) and GA (with results due near the end of the month) than for CU, given that the 1970 operating ratios for the first two were better, at 101.1 and 98.6 per cent respectively. And GA, in particular, will need to show a big improvement in its U.K. motor account (where last year's underwriting loss was probably around £6.5m.) given an historic p/e of 30 at 189p.

Any investment conclusions drawn from these tables should be treated carefully, for although both P. J. Evans and T. C. Harrison appear in the top three in terms of the return on capital employed league, over the last two years their share price performance has been uninspiring. However, Adams and Gibbons has been in the top 10 both years, as has Lex Service Group.

U.S. insurance moves into the black

The market did not know quite what to make of this week's half time figures from Commercial Union: from 478p on Monday the share price lurched to 458p on Tuesday and then fluctuated, standing at 460p last night. Certainly there were some disappointing features,

Meantime, a breakdown of the figures—with the growth concentrated in NV rather than Ltd—has a warning message for J. Bibby and its disappointing interim figures this week. Both groups are feeling the squeeze on animal feeds in the U.K., and with the prospect of appreciable terminal costs on Bibby's feeds reorganisation, this has sent the Bibby fans back to their slide rules.

Spotlight on motor distributors

Since the Mini-Budget in July, sales reports from the motor distribution trade have been full of cheer. Of course, the shares had already made up much ground from the beginning of the year on the back of some good company results. While the F.T. Actuaries motor and distribution index has risen some 48 per cent in 1971, only two points of this has come since the Mini-Budget. One or two high spots of the sector include Adams and Gibbons and Bristol Street Group, both of whom are standing at peaks which are double the 1971 low.

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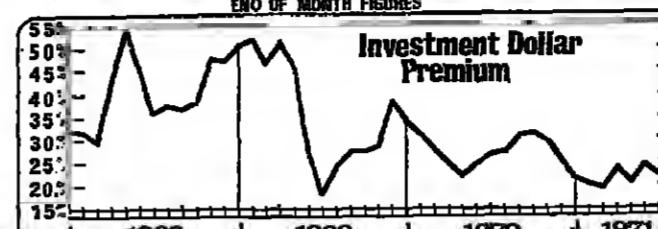
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at the end of 1968-70 will be reduced by last year's losses of roughly £2.3m.: further unquantified provisions will be required this year to cover reorganisation in the motor cycle division. The company is under-capitalised and up to its borrowing limits. Substantial new capital is required, variously estimated at around £55m.

So it will take a determined gambler to be attracted by the current market capitalisation of around £34m., even after yesterday's news of another bid approach. The most curious feature, however, is the share price strength of Alfred Herbert, up 13 per cent yesterday from Tuesday's level. Herbert is supervisory to any hint of bad news: BSA holds 17 per cent of the equity and must now be regarded as a potential seller. Is the market thinking that this would make a strategic holding for a potential bidder for Herbert?

Restrictions

BSA's holding is in B Ordinary Shares, which have interesting rights and restrictions. In the event of a bid for a third or more of BSA, Herbert has the option to require the B shares to pass into the name of an acceptable nominee, in which case they lose their voting rights. But BSA is free at any time to sell its shares "subject to appropriate safeguards as to the amounts and manner of disposal": in that event they convert into Ordinaries with full voting powers.

However, BSA has made no plans about the possible disposal of its Herbert shares, and says it has received no outside approach from a would-be purchaser. Moreover, Herbert's strength yesterday morning was achieved in very narrow markets indeed.

Onlooker

The withdrawal of Dr. McDonald's partial bid did not, according to BSA, in any way threaten the group's continued existence. To summarise the position, a net worth of £22m.

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New York

Technical rally

BY JUREK MARTIN

THIS WAS very much a week for the professionals. With the exception of the battering that the United States dollar was absorbing all over the world, there was perilously little for the Stock Market to get excited about; indeed, as the week progressed, the Stock Market became somewhat curiously indifferent to the problems of the dollar.

This may be a temporary phenomenon, but it was very evident on Wednesday and Thursday. Nobody was suggesting that all the fears that Wall Street has for the economy and for the dollar had evaporated overnight; rather it was that for much of the week they were distinctly secondary in importance to the internal factors at work.

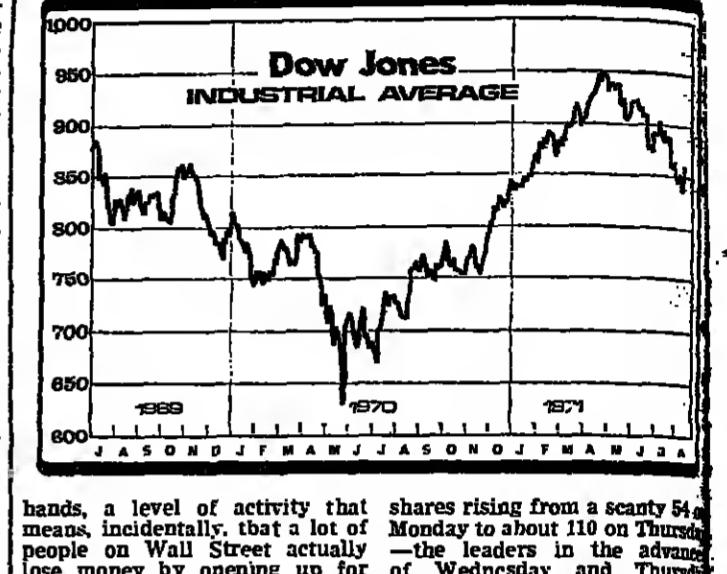
But if it was a technical week it was by no means entirely a dull one. It threatened to be extremely boring at the beginning of the week in the manner of many an uneventful summer session. On Monday trading fell to its lowest of the year, with just over 8m. shares changing

around, all of them of a technical nature. The most obvious was that the 47-point decline of previous 2½ weeks had not been absorbed all over the world, and that there were, therefore, bargains around. So, covering certainly played its part in increasing volume to 11m. shares, hardly frenetic but at least mildly encouraging.

This somewhat fragile optimism of Wednesday definitely bolstered the next day when the Dow gained 12 points in its largest single-day advance since the end of November last year. Volume was up, too, to well over the respectable 15m. share mark.

On Friday, however, the technical rebound of the previous two days was deflated. The Dow lost 12 on volume that failed to exceed 10m. shares. For the week, therefore, the average gained just 5.41 on the week to \$86.07.

Since interest was mainly confined to the professionals—no large block trades of over 100m.



shares rising from a scanty 54 at Monday to about 110 on Thursday—the leaders in the advance of Wednesday and Thursday tended to be the more fashionable issues. IBM, for example, gained about 10 points in the two days, though still hovering below the \$300 a share mark.

Bausch and Lomb, the conglomerate manufacturer, was also a vogue again, as it has been for much of the year since it came out with its water-resistant contact lens.

On the other side of the coin, the worst reverse was incurred by Western Union. On Thursday, when everything else seemed to be going up, it was the single most active stock, losing 5 points to close at 33. The collapse was largely on the strength of an institutional report that pretty well damned Western Union from pillar to post (it estimated, for instance, that Western Union would need enough to cover dividends next year). The company countered by saying that the one critical report stood out in contrast with the opinion of most stock market analysts, but this did not help the shares.

Onlooker

There was a bit more activity on Friday, with a brief attempt at a rally around the 840 (94m. shares) and a brief attempt at the 800 mark several chartists with their elasticity of slide rule logic, said was a major testing point for the current decline. At the end of the day it was still unclear whether this level had been tested or not. The Dow had lost 3.06 on the session and was fractionally below the magic number of \$30.50.

On Wednesday, however, things began to look up a bit. Few people were brave enough to say that the rally, which saw the Dow gain 6.79 points, amounted to a successful testing of the \$30 level but there were a number of other suggestions

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The market simply drifted and since the basic trend in the last few weeks has been downwards if it did not have the energy to buck the trend. The Dow lost 7.96 points to \$32.65. Clearly the pressure on the dollar was a factor.

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things began to look up a bit. Few people were brave enough to say that the rally, which saw the Dow gain 6.79 points, amounted to a successful testing of the \$30 level but there were a number of other suggestions

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The market simply drifted and since the basic trend in the last few weeks has been downwards if it did not have the energy to buck the trend. The Dow lost 7.96 points to \$32.65. Clearly the pressure on the dollar was a factor.

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Your savings and investments

Cash-and-carry sets the pace in distribution

BY STANLEY GUYER AND WILFRID PICKARD

TH THE sharply rising costs distribution to any large number of small retail outlets it little wonder that the cash-and-carry principle of wholesaling is catching on at a noteworthy rate. A recent survey into the business suggests that it is now a £530m. market and that it grew last year by 28 per cent.

Direct investment in this rapidly expanding area of distribution is, however, limited. Mardin and Peacock is the only ketable security wholly concerned with cash-and-carry though indirectly Wheatfield and AB Foods provide an interesting way in.

Mardin and Peacock came to market as recently as May 1968 since when it has pushed profits before tax up from £6,000 to £817,000 and the yield from 27.5 to 37.5 per cent. N and P operates through cash-and-carry warehouses I can hardly have failed to

get its fair share of the latest expansion of the trade. Its sales were in fact 29 per cent up on the previous year in the first few months of 1971. Like most others in cash-and-carry it is increasing the unit size of its outlets as well as extending the area of coverage. This should help to keep profit margins moving in the right direction.

None of this has been lost on the stock market where the group's investment rating is a high 23.4 p/e and 2.2 dividend yield at 175p, but justifiably so.

Wheatfield Distribution and Trading operates a more balanced policy, which, to use its own phrase, backs both ends of the retail spectrum, from the small retailers served by cash-and-carry through to the larger supermarkets. In the first 16 weeks of the current year this company had increased its sales by 17 per cent over those of a year ago. While

much of this must be accounted for by higher prices it probably represents a volume increase and the Board is now more sanguine about margins. Its potential—including a link with the French Carrefour Super-Marché retail group—rather than its record puts it firmly in the growth investment category with a rating of a 21.8 p/e and a 2.7 per cent yield at 146p.

Associated British Foods has 20 per cent of its turnover in wholesale grocery. It opened seven new cash-and-carry depots last year. This proportion is too small to rate the shares as a c and c investment, but big enough to give a useful fillip to profits that have been rising almost over £2m. a year since 1967 and last year amounted to £23.8m. This represents 3.5p a share and covers the 3.1 per cent yield nearly twofold. At 55p the p/e is 16.8.

THE GROWTH in U.K. holiday camps has been mainly in self-catering villages and has been helped by second holidays. Adding diversification abroad, Hedderwick, Berwickshire picks FORTINAS as a first choice, then WARNERS.

It is argued that when LAND

SECURITIES publishes its promised details of lease reversions this will lead to a reassessment of the group's growth which Sanderson and Co. believes to be greater than for other property companies.

For investors who are interested in investment trust

certificates Laws and Co. recommend the new issues of THROGMORTON TRUST 81 per cent Convertible Unsecured 1988/92 and UNION COMMERCIAL INVESTMENT 61 per cent Convertible 1986. Both are now free of stamp duty and both are selling at around 10 per cent premium.

Recommendations to sell come from Hohlyn Dix Marfleet and Anderson for SEARS HOLDINGS "A" after the big rise in price this year and from Charlton, Stott, Dimmock of Manchester for the sale of F. W. WOOLWORTH.

A major period of diversification has begun for GOLDEN EGG according to Manchester broker Halliday, Simpson.

Acquisition of United Cattle Products has improved its assets and area spread. Expansion will be in the hotels, restaurants and inns. The bid discussions with Allied Vintners Investments could make it possible for GE

"to enter the main catering league."

LONDON WALL has acquired a dull and sleepy reputation which is hardly surprising given the record of the past two years.

Thus, the last major promotion campaign was way back in early March, 1969, no new funds have been launched since July, 1968, and the performance of most of the existing funds, apart from Financial Priority, has been indifferent at best.

After doing quite well in 1968, the group had a rough ride in the bear market. Special Situations, for example, came unstuck, though with the benefit of hindsight the group now admits that the fund was launched at the wrong time (July, 1968) and attracted too much money too quickly—£5.5m. in about a fortnight, in fact. The subsequent performance was not helped by some poor investment selections, including Vehicle and General, BSA and Davy Ashmore, which dragged the offer price of the units 37 per cent below the launch level at one stage.

At about the same time as the unit trusts were taking a toss the equity control of the management company changed: Minister Assets sold its stake, leaving British United Provident Association (BUPA) and Clerical, Medical and General Life Assurance with about 46 per cent of the equity between them. London Wall stands to gain a lot financially from the arrangement.

During this period London Wall has also tidied up several of its funds, cutting down the number of shares in some and revamping Special Situations in particular. As a result the relative performance of most of the funds has been rather better over the last year with High

Income Priority and Capital Priority joining Financial Priority among the high-fliers.

Financial Priority has been at or near the top of the performance tables throughout the last few years. The offer price of the units has risen 125 per cent since the middle of 1966 compared with 7.1% per cent advance by the F.T. Actuaries All-Share Index.

BUPA set the ball rolling here by entrusting its £5m. plus equity funds to London Wall's care.

Portfolio management is being developed in other ways as well—attracting money from wealthy individuals and small institutions, including three pension funds to date. Apart from the £5m. from BUPA this subsidiary is managing another £1.1m. and it is hoped that it will grow to the level where the amounts under unit trust and portfolio management are roughly equal.

Diversification

In order to cope with this diversification and following the chastening experiences of 1968, the group started up its own investment department last year. This was intended to supplement the services provided on a contractual basis by, among others, Investment Advisers. The new department at present consists of four analysts plus a dealer and is required to vet all outside advice as well as keeping a day-to-day watch on the portfolios.

While schemes like the Clerical life assurance plan have been a big help in offsetting the general lack of public interest, some trusts, including Export Priority and Scottish High Income, are effectively semi-dormant from a marketing point of view.

Looking back on the general record London Wall probably launched too many funds and, in particular, the ventures into local and special trusts have not really worked out. At present there appear to be too many funds in relation to the sums managed; and with a total of £21.3m. the average amount per fund is only about £2.4m.—uneconomic by most standards.

It is in fact very likely that

Scottish High Income and High Income Priority will be merged in the near future and there is anyway about a 20 per cent overlap of unitholders already between the two funds.

Having reorganized several of

its unit trusts London Wall now seems confident enough about their future performance—having a predictably bullish attitude towards the market as a whole.

Portfolios

In respect of individual securities a glance at the main portfolios shows how much the recent improvement has depended on the financial and property sector. Stronghold has about 45 per cent of its holdings in these sectors which feature prominently in Capital Priority as well. Special Situations' most recent portfolio also has a sprinkling of financials together with a large number of quality mining companies.

London Wall is still keen on the property sector but is careful to point out that Financial Priority, in particular, is small enough to switch its holdings quickly if necessary. Otherwise, favoured sectors include consumer durables (notably electronics with Thorn to the fore), composite insurance and banks.

The group made a small loss last year and though it is now operating profitably, a full-scale promotion campaign is still not practicable. The situation is being constantly reviewed however with test marketing operations on existing unitholders.

Overall, with its widening range of activities, London Wall now seems to be more cautious than a few years ago and possibly slower to react. But even if there is less action than before, unitholders can console themselves with the thought that a less opportunistic group may produce steadier progress.

Unit trusts

London Wall is stirring from its slumbers

BY PETER RIDDELL

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Finance and the family

Right to charge fees

BY OUR LEGAL STAFF

By his will, executed in Edinburgh, the husband of a relative appointed his sister, a qualified accountant, as his sole executive and left his widow a legacy of £25,000 with the residue to the executrix. (a) Has the executrix any right to charge fees? (b) The widow estimates she needs about £900 a year to keep up her former standard of living. Has she any further claim against the testator?

(a) Unless express authority has been given in the will the executrix cannot charge fees for her work. There is a very strict rule that an executor or trustee of any sort should not benefit by his office unless the testator clearly intended it. This would be particularly true in this case where the deceased was making provision for the executrix in any case. (b) The widow has no better claim than that given by the will. She could only claim legal rights if she first renounced her rights under the will.

Rebuilding a wall

About 4 years ago I agreed to part of my wall dividing my land from my neighbour being taken down, thinking it would give more room, but since then it has become a nuisance by enabling large vehicles to block up the passage. Could I rebuild it?

We consider that as the wall was only taken down some 4 years ago, there can be no question of your having lost title to the site of the wall so that we see no reason why you should not rebuild the wall on the original footings if you so wish.

Right of way for vehicles

A company was given a right of way to pass over a path through a friend's land, with or without vehicles, and claims that this applies to any vehicles belonging to others visiting them. Do you agree? What if the vehicles are very

I am the beneficiary of a trust fund maturing next year. It is my wish to be able to transfer the money out of England to a country that is not in the Sterling Area.

At present I am working in Spain and so have a temporary residence permit; however, it is my intention to continue working here, presumably obtaining permanent residence in Spain. Would either of these forms of residence enable me to transfer the money out of England, and if not what steps would I have to take to do so? It is possible for you to remain a UK resident, for exchange control purposes, while being treated by the exchange control authorities as living temporarily abroad.

In this case, the transfer of funds outside the sterling area would require the approval of the UK authorities. You would be able to transfer, for living

large and damage the path, or my friend's property?

The contents of the company are correct. The only restriction on the use of vehicles genuinely calling at their premises is size: the right of way is of a certain size, and if used by a vehicle too large to use it that would be an excessive user, and could be restrained by injunction. Damage to the path itself is immaterial; damage to property adjacent will normally be trespass and damages will be recoverable therefor.

A suit for a declaration

An old garden fence belonging to me bulges into my land. My neighbour has built a garden wall into this bulge and now refuses to move it. Could I take the offending part down myself without incurring a liability to him?

You could, take the law into your own hands in the way you suggest, but we consider that your better course is to sue your neighbour for a declaration that he is trespassing by his wall on your land, and for

damages for such trespass. You will be awarded by way of damages the cost of having the offending wall removed so far as it stands on your land, and can thus have the job properly done at no expense or effort so far as you are concerned.

Copy of estate account

Is a beneficiary under a will entitled to a copy of the estate accounts? If it affects him—certainly. But if he requires a copy he must pay for the copying. He is entitled to inspect it free of charge.

Paying off a mortgage

I have an outstanding building society loan mortgage of about £1,000 and was wondering if I should pay it off. I have just started paying surtax. Can you advise me what I should do?

Whether or not you should pay off your mortgage is dependent

on whether you can invest the money in such a way that taking into account the income from the investments and any capital gains you would hope to make you can end up with more cash than if you repay the mortgage. It is in fact essentially a matter which each person must decide for himself in the light of his particular circumstances.

Excluding a father

My daughter who lives in Argentina is separated from her husband and, according to Argentine law, if she were to predecease him, he would be entitled to administer property set apart for the support of their child. To prevent this occurring we are thinking of forming a family company and the question is can she at age eight be a member of the company and how can she be protected against her father spending her income until she comes of age?

We are by no means certain what we follow precisely what is involved in this case. We can answer your questions easily

Transfer of funds abroad

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In this case, the transfer of funds outside the sterling area would require the approval of the UK authorities. You would be able to transfer, for living

purposes, such sums as the authorities thought reasonable for your circumstances, but you would be able to move capital abroad (outside the sterling area) for investment purposes only through the investment currency market, which would involve the payment of the going investment currency premium (which is subject to fluctuation, but is currently around 24 per cent). Even then, the foreign investments would have to remain within the control of the UK authorities. (The funds would have to be approved forms of investment, and securities would have to be lodged with or to the order of an authorised depositary in the U.K.)

You would also be subject to the rule on the sale of securities of this kind (even for switching purposes), 25 per cent of the proceeds must be surrendered for sterling at the non-premium rate of exchange, or—if it is desired to maintain the value of the foreign investment—an equivalent amount of investment currency bought. If you intend to live abroad for at least three years, however, it is open to you to apply for redesignation as an emigrant. In this case you would be permitted to transfer without delay a sterling sum of up to £5,000 at the ordinary (non-premium) rate of exchange, in respect of your family unit (yourself, wife and accompanying children under 18). Sterling assets beyond £5,000 would be transferable outside the sterling area in the four years following redesignation, only by payment of the going investment premium. Given a continuation of current practice however, such assets would on the completion of the four-year period be transferable at the ordinary exchange rate.

No legal responsibility can be accepted by the Financial Times for the comments given in these columns. All inquiries will be answered by post as soon as possible. No charge is made for this service except in relation to investment matters.

enough: an infant can be a member of a limited company without any difficulty provided that the shares are fully paid. One way of ensuring that the father could not spend her income would be by means of ensuring that the company never declared a dividend. Another would he—and this is where we are by no means sure we understand the possibilities open by having "her" shares held upon trust for her by trustees.

The trustees would then receive all income till she came of age, and they would be accountable to her for it when she did. Her father would thus be excluded

Selection of trustees

I am a beneficiary of a trust fund, of which the trustees are a bank. I have been dissatisfied with their performance, and they have now agreed to retire, and I wish to appoint other trustees. Could you please (a) tell me if the formal agreement of all beneficiaries will be required for a change of trustee; and (b) suggest whom I might appoint?

(a) No. The person in whom the power of appointment lies—presumably the bank itself—is the person entitled to make the choice. Doubtless it would be as well to consult the beneficiaries, especially as the old trustee is being ousted on the grounds of dissatisfaction with their performance. (b) The best combination of trustees in our view, is a first class professional man (accountant, solicitor, architect—it matters not) plus a reasonably wide awake member of the family. It is, however, impossible to give you really good advice, as your selection of possible trustees (once you have, and doubtless wisely, eliminated the "professionals") depends so much upon the people you know who would be willing to take the job on.

But not all motor policies give such wide liability cover. The reader who wrote to me had a motor policy which protects him against injury or damage done by his caravan only so long as the caravan is attached to the car. He did not identify his insurers and so I have not been able to check with them, but my own view is that it would be quite wrong to take the word "attached" in its strict narrow dictionary meaning, so that as soon as the caravan is detached liability cover in respect of its presence on the road ceases.

I may be wrong, but I think it sensible to assume that the insurers would not construe the word "attached" so narrowly, but would accept under the motor policy claims for injury or damage done by a caravan accidentally detached. Approaching the problem from a slightly different angle, I think that such claims would be accepted by insurers as claims "caused by or in connection with" the insured car.

But whatever the terms of his

Insurance

Cover for a caravan

BY JOHN PHILIP

THIS BEING the main holiday month of the year, it is reasonable to suppose that most of the nation's caravans are currently in use. So it is probably a good moment to discuss a reader's inquiry on insurance of liability arising out of the towing of a caravan.

The majority of private car policies, whether "comprehensive" or narrower cover, do not have any clause restricting or excluding the policyholder's right to tow a caravan, or for that matter any other vehicle, powered or otherwise. Protection is provided by the "third party" section of such private car policies against liability for personal injury or damage to property arising out of an accident "caused by or in connection with" the insured car.

Wide cover

The words "in connection with" are very wide: if I take my car on the road towing a caravan, and the tow bar breaks so that the caravan runs away and causes injury or damage, without doubt I have protection under my policy even though at the moment of impact my caravan was, say, a hundred yards away from my car and moving downhill in the opposite direction.

But not all motor policies give such wide liability cover. The reader who wrote to me had a motor policy which protects him against injury or damage done by his caravan only so long as the caravan is attached to the car. He did not identify his insurers and so I have not been able to check with them, but my own view is that it would be quite wrong to take the word "attached" in its strict narrow dictionary meaning, so that as soon as the caravan is detached liability cover in respect of its presence on the road ceases.

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But whatever the terms of his

motor policy, the caravan owner cut out their liability for loss of use, depreciation, wear and tear, mechanical breakdown, damage to tyres by punctures and burst and so on.

Most insurers provide cover only within the territorial limits of the British Isles other than the Irish Republic and for sea crossings between Britain and the rest of Europe. So the caravan owner who wants to take his caravan to Ireland, or to Europe, must tell his insurers and pay an extra premium as they require to extend his policy.

Again, as under "comprehensive" motor policies, insurers claim the option to repair or replace the caravan or to pay the amount of the loss: the maximum liability in this respect will be the value estimated by the policyholder and stated in the schedule. This estimated value should be sufficient to cover both the caravan and its furnishings, fixtures and fittings and so on.

A separate section of the policy covers personal effects and luggage up to the sum for which the policyholder has chosen to insure. Here again the cover is in all risks, subject to stated exclusions, but the cover provided has restrictions not unlike those found in household contents policies.

Money and valuables

Insurers do not pay at all for loss of money, bonds, securities and the like, and normally they restrict their liability for loss of valuables by imposing a financial limit on any one item, this usually being fixed at 1 per cent. of the sum insured, unless the item has been specifically declared to insurers and they have agreed to cover it for its full value. In this event, extra premium will be required.

Premiums depend on the breadth of cover purchased, on the make and value of the caravan, the financial extent of personal effects cover, where the caravan is kept during the winter, whether it is rented out for holiday use, whether Continental use is to be insured. Premiums will range upwards from £3, which used to be a market minimum, but as policies are quickly becoming a thing of the past, and the caravan owner now may have to pay more, or have his policy incorporated with his household insurance for renewal and premium collection purposes.

TAXATION AND THE INVESTOR

Entertainers, their mansions and their tax problems

BY JOHN CHOWN, TAXATION CORRESPONDENT

MR. L. PICKRELL, of Hampshire, writes: "Entertainers, stage, screen and sport, can in a few years amass substantial capital, buy and maintain costly mansions, with luxurious living in this country in spite of taxation as it is. How is it done?"

The short answer is that it is often not done. Many such people receive their earnings gross under Schedule "D" (annual deduction of tax). They are a lot of money which they need to spend. They do not provide, as an experienced and prudent businessman would, for the fact that they would have a tax liability to meet in due course. Eventually, the tax man catches up with them and they sink up bankrupt. "Costly mansions with luxuries living in this country" certainly, while lasts, but they do not amass substantial capital.

Such people often do not know their way around the financial and professional world. As soon as the big money starts to come in they are taken in tow by plausible advisers who persuade them to set up complex structures of companies and trusts to avoid tax on their incomes.

No money back guarantee

The fees charged are usually a percentage of the tax saving, but there is no money-back guarantee if, as often appears, the Revenue eventually succeeds in attacking the tax transactions as a sham in collecting the tax at the rate. The danger of such homes is that they tempt their owners into high living (if indeed any temptation is needed) and into them a false sense of security.

Several well-known entertainers and writers have found it impossible to achieve what a correspondent suggests and we found it necessary to ignore.

The problem is the very high rates of surtax ruling in this country. As I have pointed out on several occasions, these are unproductive at the higher

levels. A reduction from 90 per cent. to 80 per cent. in the top marginal rate increases what is kept by the individual by 100 per cent. Even if this did nothing to stimulate the earning of extra income, the tax collected would be reduced by only 11.1 per cent. The removal of the top Budget of the top limitation on the 15 per cent. second slice of earned income relief has made a dramatic difference.

Another technique is to use a well-advised entertainer in the United Kingdom to do to improve his position. The most common is to form a company, although the advantages of this procedure have been materially eroded by legislation over the years. If an individual forms a personal company to handle his activities, the company would be liable to corporation tax at 40 per cent. The money would not be available for spending except to the extent to which it was paid out, either as salary or dividends and subjected to personal tax. Under the close company provisions, part of the profits would have to be paid out, but some would be available to increase the capital value of the company. Eventually, the fattened-up company could be sold for a capital gain. This procedure can keep the total tax charge down to between 60 per cent. and 70 per cent. This is a substantial improvement on 91½ per cent., but not so much of an improvement on the 74½ per cent. rate.

There are, of course, variants. The cash flow generated from entertaining might be used to start up an entirely different kind of business. New businesses have starting up losses and the accelerated depreciation on new assets can also be offset against the tax charge. This can be a very powerful technique for turning some once-for-all flows for income into a continuing source.

Tax shelter on foreign earnings

There are perfectly legal means of avoiding a tax shelter on foreign earnings. These may solve the problem of luxuries living abroad, but not here.

Tax planning is a difficult and rapidly changing art of which it is said that those who write about it do not know while those who know, do not write. It is usually possible to do something, but the savings from the more publicised schemes are not as dramatic as might be thought. In practice, few indeed are the United Kingdom resident entertainers who combine high living with capital accumulation.

Clive Jenkins fails to ban EEC paper

MR. CLIVE JENKINS failed in a High Court bid yesterday to prevent the Post Office continuing to distribute the Government's Common Market pamphlet, "Britain and Europe."

Mr. Justice Griffiths, the vacation judge, said that Mr. Jenkins, a leading anti-Marketite, general secretary of the Association of Shop, Restaurant and Managerial Staffs, had no legal standing to enjoin the injunction.

"Mr. Jenkins is in no different position to any other member of the public," said the judge. "He can be neither more nor less affected by the distribution of the pamphlet than the rest of us."

The judge said that even Mr. Jenkins could have satisfied the Court that he had the necessary legal standing, he would have still refused the application.

3.5m. printed

He rejected Mr. Jenkins' argument that the Central Office of Information, in printing and publishing more than 3.5m. pamphlets, had exceeded its powers.

Mr. Jenkins sought the distribution ban pending action he is bringing against the Attorney General and the Post Office for failing to ban the printing and distribution of the pamphlet.

Mr. Justice Griffiths, giving a reserved judgment, said that the pamphlet was a fair summary of the Government White Paper on the Common Market and contained a powerful argument for Britain's entry.

"Mr. Jenkins does not believe that it is in the interests of this country to join in and he claims that the pamphlet is a 'partisan piece of propaganda' being distributed at public expense," said the judge.

"This is an issue which must be ventilated urgently in Parliament as otherwise the hidden persuaders will have unlimited resources to sway taxpayers by using their own money to do so."

Hidden persuaders

Mr. Jenkins commented later: "In my opinion this means that the Government and the government agencies of the future will consider that they have an unbridled licence to use public money for purely party propaganda."

"This is an issue which must be ventilated urgently in Parliament as otherwise the hidden persuaders will have unlimited resources to sway taxpayers by using their own money to do so."

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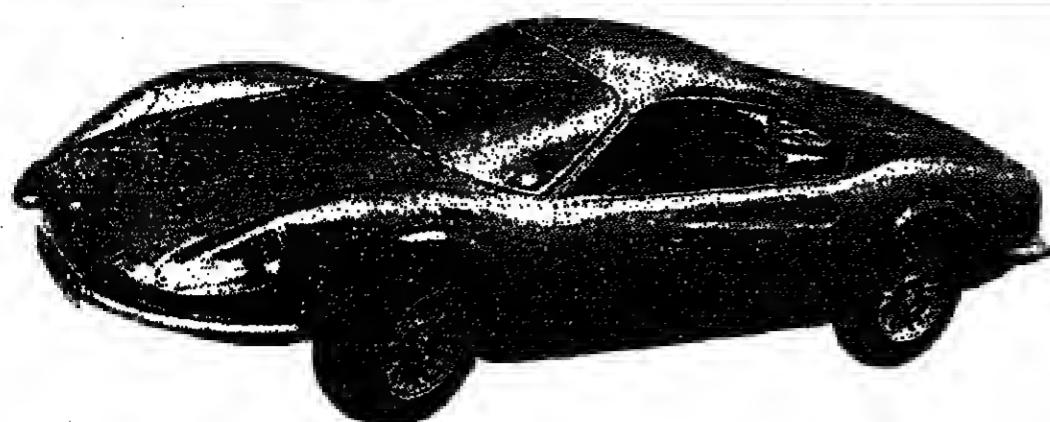
£75,000

£6,750 pa

against the £1,000 continues to appreciate. An additional

£1

Motoring



The Ferrari magic

BY JAMES ENSOR

THERE IS probably no car name in the world which conjures up so much magic as Ferrari. The Dino, at £2,250, is the cheapest Ferrari on the British market, a two-seater mid-engined sports car with a remarkable performance. Originally the Dino had a Fiat engine, the intention being to bring Ferraris to a wider public. But the current model has a 2.4 litre Ferrari engine, placed transversely behind the seats. Although such a small engine, it is highly tuned and gives the Dino a top speed of 150 mph and devastating acceleration.

My first reaction to the Dino was that it looked impossibly low and small. The wheel arches with their fat Michelin tyres look almost higher than the car itself which squats purposefully between them. However once inside the car there seemed to be plenty of room for two people—though not for their luggage which would have to be crammed into a tiny boot behind the engine. The front foot is entirely occupied by the spare tyre.

The mid-engined layout, derived from racing experience, gives exceptional roadholding. The weight of the engine is placed just ahead of the driving wheels, giving maximum traction and making the car beautifully balanced. In the Dino, roadholding is further improved by the racing-style wishbone suspension and the fat radial tyres. The result is remarkable. The car sticks to the road in a manner that makes any other car—except, perhaps, the Lotus Europa—seem clumsy. The road feel so sensitive that one could drive the Dino on normal roads at speeds that would seem frantic in most other cars.

A mid-engine layout, of course, has its drawbacks. An engine blasting out 200 bhp a few inches from one's ear is hard to ignore. Certainly the Dino is noisier than other comparable sports cars, such as the Porsche 911 S. When accelerating hard at low speed, the noise rises to a crescendo which I found tiring, even though it does tone down to a more acceptable level at cruising speeds.

The rear view in a mid-engined car is also generally poor, making reversing and parking difficult and overtaking sometimes dangerous. Pininfarina who styled the Dino has tackled this difficulty by fitting

SPECIFICATIONS

ENGINE: V6 2.4 litre four overhead camshaft unit producing 195 b.h.p. Central location.

TRANSMISSION: Five speed all synchronised.

DIMENSIONS: Length 13 feet 10 inches. Height 3 feet 8 inches. Width 5 feet 7 inches. Weight 23 cwt.

PERFORMANCE: 150 m.p.h. top speed. Accelerates to 60 m.p.h. in 7 seconds. Fuel consumption 18-20 m.p.g.

PRICE: £2,250.

a wrap-around glass window directly behind the driver, which mitigates the problem but still leaves a blind spot.

These two factors, together with the safety aspect of driving with a heavy engine directly behind one, have persuaded many motor manufacturers to avoid the mid-engined design.

Jaguar considered building a Rover-designed mid-engined sports car but Sir William Lyons, the company's chairman, rejected it feeling that it was unsuitable for a road car. Lotus' chief Colin Chapman took a different view and his Europa has had a modest success. The car sticks to the road in a manner that makes any other car—except, perhaps, the Lotus Europa—seem clumsy. The road feel so sensitive that one could drive the Dino on normal roads at speeds that would seem frantic in most other cars.

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unfortunate minor defects of finish. The seats are hard and narrow, quite the most uncomfortable I have experienced in a car costing over £2,000. The interior trim and some of the switches and instruments do not match the price of the car. The sun-visors for instance are not properly secured and the wipers have only one speed. The ventilation, though adjustable for each side and boosted by a powerful fan, is not sufficient to counter the heat generated by the engine.

The Dino is difficult to park because its high wheel arches obscure the front bumper and the small rear window bides the back. Its steering is obviously heavy at low speed because of the fat tyres.

Despite these disadvantages, the Dino almost persuades me of the practicality of mid-engined cars. The enthusiastic driver will be delighted by its superlative, thoroughly performance and handling but the ordinary driver will, I think, feel that it is a little too noisy and uncomfortable for everyday town transport.

Eighteen of the best

BY BEN WRIGHT

ONLY WHEN settling down recently to begin to select "the best 18 holes of golf in Britain" for a proposed book of that name did I begin to realise the embarrassment of riches with which we are blessed in these islands. I have been having nightmares ever since, so difficult is the task of discarding many of the finest golf holes not only in Britain, but in the entire world.

The terms of reference are simple. The number of the hole chosen from any course must correspond to its position in the eclectic collection. Thus the first hole at St Andrews would be number one on the composite course also. I decided on the fashionable par of 72 to include four par five holes and four par threes. The latter quartet will include two holes of over 200 yards each and two very much shorter. The idea of the book is also to relate the incidents that have made golfing history at the 18 holes finally selected.

Chief criterion

Golfing merit thus has to be the chief criterion—rather than sheer beauty—since the majority of courses on which British golfing history has been enacted are seaside links renowned rather for their rugged, awe-inspiring qualities than for the photogenic features found inland.

I started by limiting the choice to the courses that have been used to stage the Open Championship, which would have made the task far less formidable. But it would have excluded such gems as Newcastle, County Down, Formby, Sunningdale, Woodhall Spa, Glenelg and so on ad infinitum. Perhaps it would be fairer to allot the holes strictly on a regional basis. At the moment I am far from sure where to start—or stop—but the task is a fascinating one, even if well nigh impossible.

Three of my short holes are already tentatively chosen, unless I am convinced later to the contrary by powerful argument. I regard the sixth at West Sussex as one of the best short holes over 200 yards in

the world, apart from its beauty. Played from an elevated tee over a lake to a green defended to the left by a heather-covered mound with an out of bounds fence further left to affect the really vicious hook, the tee shot is truly demanding. To the right is a cluster of bunkers, more heather, and the whole aspect is framed by glorious pines, silver birches and other ancient trees.

The long-shot 18th at Carnoustie appears to be the perfect foil for the sixth at West Sussex since it is flat, but even more demanding and has played such a crucial role in golfing history as part of perhaps the best finish in British golf—with due deference to the members of Royal Liverpool.

The "Postage Stamp" eighth hole at Old Troon must take its place as one of the shorter par threes, despite the fact that jet aircraft taking off from Prestwick so often deafeated golfers at that end of this great links. But the final choice of the fourth short hole so defies me. One thing is certain, however. It must be an 11th, 12th or 13th, and at present I favour the 11th at St Andrews.

Pernicious burn

I had settled on the first hole of the Old Course there to open my list, but have lately inclined towards the first at Deal—with its equally pernicious burn—to allow me to use the 14th on the Old Course as one of my par fives. I believe that only St Andrews deserves to have two holes included in the best 18. Merion alone was similarly favoured in Dan Jenkins' book "The Best 18 Holes in America" published by Sports Illustrated and still, I believe available in America at 15 dollars. Some would choose the 17th or Road Hole at St Andrews, but in my opinion the removal of the railway sheds and installation of a watering system has robed it of much of its character and menace.

A par four hole that virtually selects itself on all counts is the ninth or Lighthouse Hole on the Ailsa course at Turnberry, rivalled only in my estimation by the ninth at Muirfield, but certainly not for beauty. The

Bridge

The road to recovery

BY E. P. C. COTTER

IN MANY games it is possible to make up for some error by later brilliance, but the Bridge player does not as a rule get a chance to recover from a bad shot. For all that to-day's hands from rubber Bridge refute the old saying that the cards never forgive. Here is the first deal by East with North-South vulnerable:

N. ♦ 10 43 Q K 7 C A J 7 6 4 + Q 5	W. Q J 8 4 Q A 10 8 3 Q 5 ♦ Q 5	E. ♦ 2 Q J 4 3 ♦ Q K 10 9 8 + A 9 6 3	S. ♦ K Q J 9 6 Q A 6 2 Q 5 3 ♦ K 8 4
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At love all I dealt in the South seat and bid two spade. North said he had two spades and raised my rebid of three spades to four. West led the eight clubs, covered by the Queen and East naturally ducked. No without sufficient thought played Ace, King, and another trump, which was moron. The correct procedure is to call two top trumps and then play on hearts, before the King diamonds can be attacked. This limits the defence to two trumps and the heart Ace.

As it was, West won the third trump, returning the diamond Queen in my Ace, and I was real danger because of the bad block. If I had now cashed an Ace of clubs—and it cost nothing to do so—West would be in trouble.

Cardinal Bunker

Prestwick can hardly be left out of the reckoning, even if it has fallen out of favour—as a relic of the past. It is too long since I played there, but I remember the third hole and its railway-banked Cardinal Bunker with lasting affection.

If one were to ration holes to regions I would be tempted to include St Endrews in Cornwall,

where much of my early golf

was played in the school holi-

days. The Himalaya bunker

towered over me then just as

awesomely as I am sure it would have done if I pushed my drive at—was it the sixth hole?

Which brings me to the object of this exercise. While not promising to acknowledge them, I would welcome any suggestions from club members whose courses I have forgotten, overlooked or never hitherto visited—none of which is too humble to be considered.

The

King

and

the

Queen

and

the

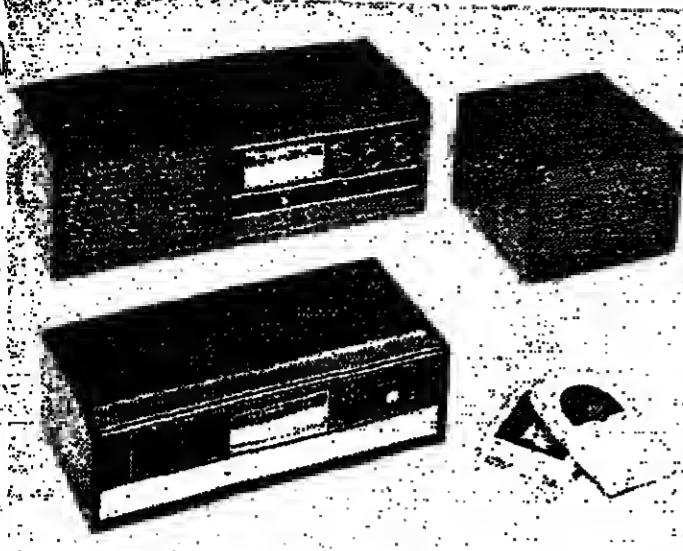
King

and

the

Queen

How to spend it



foreground 208 unit; background 207 and its independent speaker.

Radiomobile is Britain's leading purveyor of ice. In case you thought, as I did, that this is frozen water, let me tell you that the ice is the word for In Car Entertainment. Which means radio, cartridge player units, or what you will, in cars.

The Radiomobile name is about to come in from the car. Well, no, not quite that. Radiomobile goes on—and on and on—quipping cars with ice. But the name now also becomes attached to distinctly chic music playing units for the home.

For all too short a time, Radiomobile 207 graced my living room. It is dandy handsome in its grained walnut case. It is such a neat little thing, too. The player unit incorporates one of the loudspeakers. The other speaker is separate for setting at the right vantage point.

The Radiomobile 207 is a stereo eight-track cartridge tape player with push-button everything—the controls are so neat and so simple. Tiny, lighted indicators show up the track. The 205 model is a cartridge tape deck designed to fit into any existing Hi-Fi system.

The 205 version is switched on and off by merely pressing the cartridge. But, apart from the excellent styling and simplicity of operation, the thing I really liked was the tone. It was superb. Even when turned down really low, there was no distortion. Cartridges do give better performance than cassettes, although prices are similar. To begin with, the cartridge speed is 33" per second as compared with the cassette's 17". The other advantage of the cartridge, for homes as well as cars, is that it plays on in one continuous loop—front and back sides. Yes, you can stop it whenever you want, as well as changing tracks. Somebody who saw my Radiomobile unit seemed to think you never could until it ended!

I think this is the first domestic cartridge player unit in its country at this price. Don't think of it as just another glorified music reproducer. It makes sense. Cartridge players are going into cars so fast—about 75 per cent of Radiomobile's player installations in cars are cartridge players—that people will soon be wanting an identical player in their homes. After all, who wants a disc and a cassette and a cartridge of the same, favourite piece of music? Or who wants only two of them? The simple, cheaper way out is to be able to use the same cartridges in the car or in the house, something like 85 per cent of all discs now being cut are incidentally put on to tape for cassette or cartridge. The unit is so totally free of any kind of revolving sound, or interstitch, or anything; and banding and storage are so much easier and safer.

The new Radiomobile 207, rather nice-looking than this photograph of it, costs £83; the 205 costs £58. Details of stockists for home or ice, from Radiomobile Limited, North Circular Road, London, N.W.3.

SHEILA BLACK

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At Victor Britain we take as much care over selecting our chauffeurs as we do in maintaining our luxury saloons and limousines.

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HISTORY TODAY

The AUGUST issue includes:

CLEOPATRA

by Michael Grant

EDWARD II AND HIS MINIONS

by Harold F. Hutchison

MERCHANTS AND ADVENTURERS

IN INDIA

by B. G. Gokhale

THE KU KLUX KLAN

by Louis C. Kleber

NOW ON SALE 25p

Jet age car wash

Nobody is ever going to persuade me that washing a car can be fun. The most I will concede is that it can be made less of a drudge given the right equipment, and to someone who, like me, is used to making do with a hose pipe and a bucket of soapy water, the new gadget which the Wentworth Company is importing from the States is such a piece of equipment. To look at it is just a plastic jar with a long thin nozzle—about 10 ins. long—which you attach to an ordinary hose pipe. Inside the jar you put any liquid car wash or detergent—it does, in fact, come in its own bottle of suds.

The effect of this gadget is rather like putting your thumb over the end of a hose, only more reliable. Because the water is being pushed through a narrower tube than the hose itself, it comes out in a powerful jet. Turn the switch on the top of the jar one way, and it gushes out mixed with the soap. Turn it the other way, and plain water comes out.

Sheila Black is on holiday

Called the "Jet-X," it is available from the Wentworth Company, 51 Brompton Road, London, S.W.3, and costs £3.85 plus 15p postage. Later it will be available through car accessory shops, stores, etc.

One word of warning, however, make sure your hose pipe has some kind of screw fitting at the end. If your hose ends in nakedness, it won't fit into the nozzle. Hozelock do an adaptor for all their attachments and—fortunately—American ones. It is the H15 and costs 17p from garden centres, etc. Write to Hozelock at Haddenham, Aylesbury, Bucks, for a leaflet on their watering accessories.

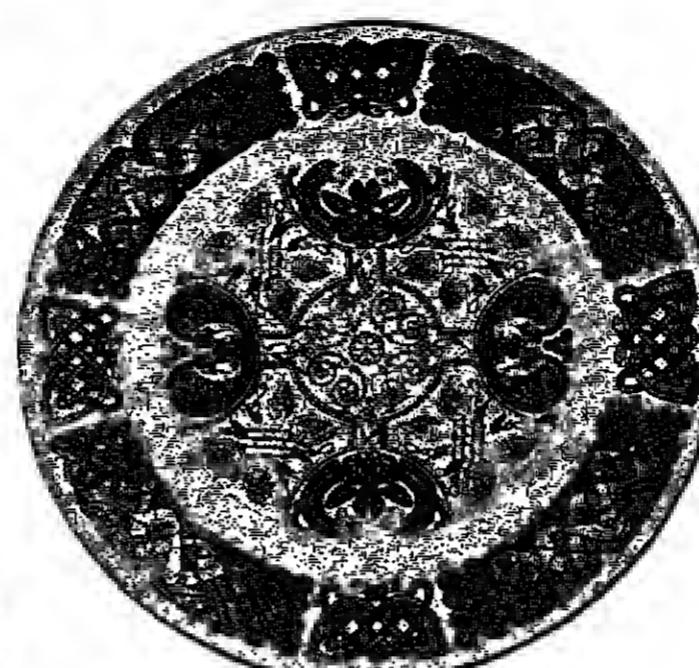
Silken splendour

"Silks of the World" is the theme of the exhibition starting in the central hall of Harrods to-day, and lasting for the next

four weeks. On show will be a really magnificent collection of silks valued at £250,000 and coming from countries as far apart as Italy and China. The price range is almost as far reaching—the cheapest is £2.50 a yard, while the most expensive is a Swiss embroidered silk organza costing £50 a yard. To create a suitably exotic atmosphere for such gorgeous materials, the ceiling of the central hall has been transformed into a glistening sky and the columns crowned with masks, intertwining with gilded leaves.

Instant pot pourri

As a child, I used to spend the summer laboriously collecting rose petals and heaping them into a bowl. I thought if I left them long enough they would eventually mature into a



The design of this lovely Spode plate is based on the Lindisfarne Gospels, one of the most beautiful surviving examples of the Pictish school of Celtic Art. The cruciform page forms the basis of the intricate, almost mathematical, design in the centre of the plate, while the main motif is the Pictish cross against a background of interwoven birds. The colouring of the plate, which measures 10½ inches, is in 22-carat gold and a mixture of blue, yellow and red enamels on a white background. It is available in a satin-lined presentation box from most leading china stockists for £8.82.

Elinor Goodman

Safety first

Few people can be quite as clueless as me as far as electricity is concerned—hardly dare change a light bulb, let alone wire up a plug. But, even so, I suspect many people might benefit from the series of three-lesson courses to be held in London in the autumn by the Electrical Association for Women. The idea is to teach women how to change plugs safely, replace fuses, etc., and, equally important, give people the chance of practising under supervision rather than going it alone for the first time on their own wiring system. Each course of three lessons costs 50p. For further details write to the Electrical Association for Women, 25, Foubert's Place, London, W1V 2AL.

Brass bedsteads

Brass bedsteads and pine furniture seem to go together. So, as we had such an enthusiastic response to the piece we did on pine a few weeks ago, we thought it would be worth investigating an antique shop in Essex which has no fewer than 50 assorted brass beds stacked away in a nearby barn. Called the Antique Stores, it is in the village of Shalford, 5 miles north of Braintree on the B1053, and is run by Mrs. Judy Hutchinson who spends the early part of the week travelling round England looking for suitable beds.

You go into the barn and rummage away until you find what you want. Then you leave it to Mrs. Hutchinson and her husband to renovate it. They clean it up, replace the broken bits of brass and paint the ironwork the colour of your choice. Usually the whole process takes about a month, though obviously if they are very busy it may take a bit longer. Single beds start at about £15 and doubles at around £25. The Antique Stores is open 10.30 to 6.00 on Thursday and Saturday, 12.00 to 7.00 Fridays and Sundays. [Telephone Shalford Green 386.]



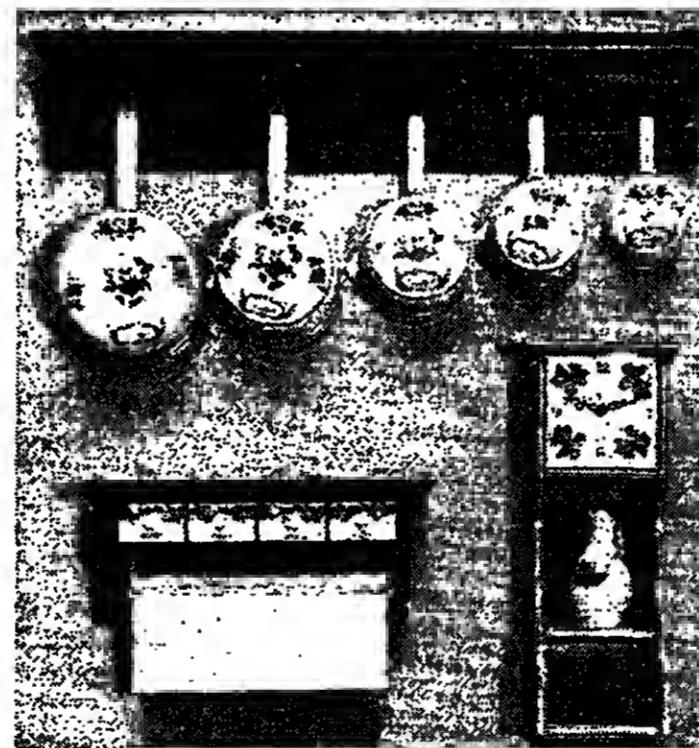
Anyone who has been asked by visitors from abroad for advice on what souvenirs to take back from England will be familiar with the plethora of cheap, nasty things that usually fill the tourist shops. Not that England is worse than any other country in this respect, it is just more embarrassing when it is your country which is offering such hideous objects for sale. But at least there are signs that things are improving. The Design Centre has now opened up a shop in a corner of its Haymarket premises specially to sell well-designed souvenirs. This shoe tidy is an example of the kind of things on sale. It is made of cotton, screen printed and pigment dyed in scarlet, black and lime on a wooden hanger with a zip fastening. And, of course, it's British, right down to the bowler-hatted gentleman sitting inside the bus. Made by Cuckoo Bird Productions, it costs about £2.20, and is also available from Harrods, Hamleys, Heals and Liberty's as well as gift boutiques throughout the country. Also direct from Cuckoo Bird Productions, St. Michael's House, Peckham Bush, Tonbridge, Kent. Postage and packing 17p extra.



Horses abounded at the International Gifts Fair this week. China ones in every conceivable breed and size, silver ones and even plastic ones seemed to be everywhere. But the ones I liked best were these magnificent bronze cart horses. The one above is a Clydesdale, and is one of a set of four each costing £37 and standing about 8 inches high. The others in the set are a Suffolk Punch, a Percheron and a Shire. Each is made in a limited edition of 500 and is cast by Herdies, using their cold casting technique. The sculptor was Peggy Alexander, a well-known horse sculptor, who used the brewers' dry horses as models. Stockists include Moss Bros. and Fortnum and Mason in London, or write to Herdies, Stonehill Mill, Kirby Stephen, Westmorland, for a list of local stockists. (Telephone: Kirby Stephen 542.)

Shopping in Paris

BY BEATA LEVY



Porcelaine de Paris



Silver and gold rings

Jade pendant

dinner party, in his bath, or even, conveniently, in his workshop. He thus makes a rough drawing and gets to work immediately. The details invariably fall into shape.

Pieces vary from £15-£20 for a plain gold ring or bracelet to £500-£600 for jewellery with semi-precious stones or small diamonds.

Porcelaine

Having had my illusions shattered about Burgundy snails (which I discovered were largely Hungarian-bred), and a

Kettles

Apart from the 80 artists working on every style of painting, all orders are also handled at the Paris address. The firm has enough space to store un-decorated merchandise—some 100,000 pieces—in a neighbouring building. The result is that most orders are completed within a week.

Porcelaine de Paris has become one of the largest and best-known firms in France, with an annual turnover of Frs.10m. This success is partly due to post-war initiative, idly suggested in the first place by an American buyer, to sell real quality, attractively decorated kitchen and cooking ware. Now, 20 years later, colourful casseroles, kettles, roasting and souffle dishes are to be found in the Fortnum and Masons of this world in 50 countries.

After the kitchen came the bathroom. Porcelaine de Paris decorates every inch of the bathroom from tiles to bidets, wash-basins, towel racks and lavatories. Even in Japan, famous for its own china, European-style hotels are made welcoming with imported Porcelaine de Paris fixtures.



"An alternative to the breathaliser" was one unsteady-handed visitor to this week's International Gift Fair at Earls Court described this exhibit. In fact, you would need to be quite remarkably sober to be able to complete this miniature obstacle course. It's the latest "executive toy" from Toy Things, and is based on the same principle as the game you play at fêtes where you have to manoeuvre a looped rod along a piece of electric wire without touching it. If you do touch the wire—and most people do—it buzzes. It's called, appropriately, "Oops," and like the other executive toys—Newton's Cradle was one of the first—it is one of those things you can't leave alone. The base, in which the battery, which operates it, is contained, is made of painted wood and is about 9 inches long. Price around £40.

Stockists include Heals, Selfridges and Present in Sloane Street. For others write to Miscellany Marketing, 299, Fulham Road, London, S.W.10

Elinor Goodman

Property and housing

Letchworth—the first garden city

BY JOE RENNISON

LECHWORTH suffers from minor disadvantages—both noted with reputation. The first is that the town is outshone by its more famous neighbour, Luton, in the garden city stakes. Despite the fact that Letchworth was the first in the field, it is Welwyn that is popularly supposed to be the pioneer of the experiment of planned living for the 20th century.

Its second disadvantage is vicious rumour that has put about that Letchworth is town without pubs; worse still, it is a town that does want pubs. Neither aspect of this rumour is true. It was, however, that in the early days of this new town no new pub was built to add to those already in the area designated the town. And the townspeople consistently voted against more being built. But things have changed now—though there is still a stigma.

isadvantage

Its neither reputation is a disadvantage internally. This example of that unique institution—the garden or later the planned or new—is doing very well, que, that is, at the time of founding but an institution has been copied and modified many times and that has a worldwide influence. Whether it has been copied successfully is doubtful. Doubt age and maturity add to charm but, having almost all of England's towns, I cannot imagine acquiring the same sort of stable sense of community individual character.

Letchworth, founded in 1903, still growing, is undoubtedly a success. I think the sense of spaciousness that is the key to that success. Luton is prettier and better

laid out—after all it learned from the prototype's experience—but Letchworth has a sort of higgledy-piggledy look within the plan that makes it more attractive. The size and shape of the gardens, the style and size of the houses are more varied. But both towns have the feeling of space and quiet. By comparison the other new towns seem soulless and raw.

Grass verges

The "garden" in garden city is more than a come-on for prospective settlers. Trees, grass, flowers and shrubs are everywhere. There are wide grass verges by the side of almost every road and it is almost as easy to guess the vantage of each street by the state of the trees as by the style of the architecture. The actual roads were not built for today's traffic but any town that bad traffic problems as small as Letchworth's would count itself very lucky.

It is a small town. The population at present stands at around 30,000 and is gradually creeping up. The main reason for the steady increase is that Letchworth is accepting London's overspill under the G.L.C. expanding towns scheme. But this is planned to finish at the end of next year. So the town should then be "finished" if it can be said of any town that it has ever reached the end of its development. Obviously it cannot stagnate and, at least must take account of natural growth.

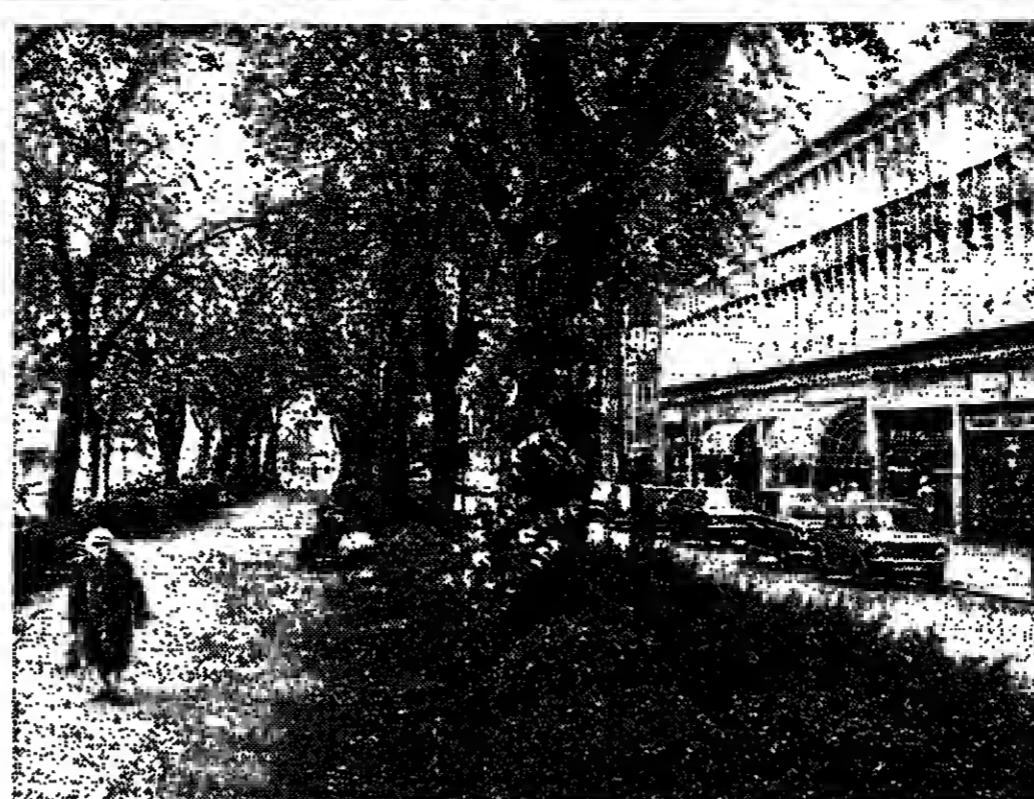
There is a dilemma here that the town must solve in the near future. Many would argue that a town of 30,000 people is not a socially viable community—several of the later new towns have increased their population targets from a base figure well above even this because it is thought that a community of this size cannot generate sufficient social and entertainment

facilities to keep it going. It depends on the standard that is set. Letchworth does not have a great deal to offer in the modern glossy sort of entertainment. But how big would it have to become before it could, and what would it lose in atmosphere and calm in the process?

The boundaries under the present town plan are nearing the point of being filled. The other areas within the designated area are green belt. The district council has applied for more building land for houses and industry. Where does it stop? Letchworth has been established for a long time now and it is obviously a successful integrated town. It is perhaps the best argument against the increase in size. It has the benefits of being a rural retreat within the framework of a town and is yet a working industrial community. It is an industrial town that attracts a daily inward flow of about 10,000 workers to its factories and exports only 2,000. It is a self-supporting community after the ideal of its founder, Ebenezer Howard.

Different

Howard saw his townships in a different way from how they have developed. His ideal was a town benefiting from the increase in value of its own property and supported by industry and by the agricultural products of the surrounding green belt. Obviously this ideal has been superseded—especially on the agricultural front—by a much more sophisticated national system. The idea of the town benefiting by the increase in value of its own property will one day become true. The Corporation set up in 1963 to take over the assets of the former controlling company will one day begin to make a profit. And these profits—even if Letchworth finds itself



The Broadway



part of a larger unit under the local government reform—will be ploughed back into the town and nowhere else. The success on the other front—of being self-supporting industrially—is self-evidently true.

Expansion is more likely to come through redevelopment, in cutting down the space of individual plots when the older housing is renewed. Not, I hope, on too great a scale otherwise the town might come to look like an overcrowded suburb. A sign of the times is that this

oldest new town is to have a new town centre. A 5-acre site in the centre is to be redeveloped to provide a traffic-free shopping precinct and a multi-storey car park.

One area where the town may excite more interest is as a commuter centre. This is totally against the Howard principles but if the numbers are not too large it could provide one more stimulus to a community that has thrived on newcomers. The train journey to London at the moment is about an hour but

electrification is promised which could reduce it to 40 minutes and make it attractive for London workers.

People moving there would find themselves in a well-balanced mixed community—neither too far up or down the social scale. It is interesting that Letchworth has an immigrant (coloured) community. At the moment they have formed a ghetto and are living in the poorest of the town's property. How fitting it would be if this town, built on idealism and an influx of outsiders, could be the first place in the country to integrate the Commonwealth citizens into a happy, healthy community.

Rising Prices

For those who are thinking of moving to this part of the world—either to commute or to follow their firm—the message is to get in fast. Property prices in the town have already risen by 20 per cent in the last 12 months. There is size and style to suit every pocket but all are in very short supply. But it is a pleasant place to live in and to pay over the odds for a house could be very well worthwhile. Next week: Thatched Buildings

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APPOINTMENTS

Divisional chief executive of John Williams

Mr. George Greig has been appointed chief executive of the JOHN WILLIAMS OF CARDIFF foundry division. He succeeds Mr. H. J. Williams who is retiring.

Mr. Greig, who also joins the group Board, relinquishes his position as the British Steel Corporation's general manager, special steels, Scotland.

The BRITISH RAILWAYS BOARD has appointed Mr. G. S. W. Calder as chief mechanical and electrical engineer at Board head-quarters.

Following changes in the organisation of British Rail's research department at the railway technical centre, Derby, under which Mr. Alan H. Wickens was appointed director of laboratories, Dr. R. W. Sparrow has been made deputy director laboratories (engineering), and Dr. K. G. A. Pankhurst, deputy director laboratories (applied science).

Mr. B. L. Ballard has been appointed a director of JOSEPH PECK and all its subsidiaries.

Mr. T. C. Merritt Stock has been elected chairman of the Bristol Association for the Mid-Western Stock Exchange in succession to the late Mr. A. H. N. Green-Armstrong. Mr. A. Thurlow Laws has succeeded Mr. Merritt Stock as elected vice-chairman.

Mr. Jacques de Lane Lea has been appointed chairman of DE

LANE LEA MUSIC, part of Humphries Holdings. He was formerly managing director in which he was succeeded by Mr. David Siddele.

Mr. J. C. Paterson has been appointed Hong Kong's new commissioner of banking. He was previously deputy principal of the overseas investment office, exchange control at the Bank of England.

Mr. David H. Edwards has been appointed branch manager of the Cheshire (London) office of the LEEDS PERMANENT BUILDING SOCIETY from September 1. He succeeds Mr. Michael Root, who is to become Southern area manager following Mr. Arthur Stone's appointment as branch development manager at the Society's head office in Leeds.

Mr. Peter Brackfield has resigned from the Board of SIDROU due to his increasing commitments as a managing director of Singer and Friedlander.

Mr. J. H. Warren has been appointed high commissioner for Canada in the UK to succeed Mr. Charles Ritchie. Mr. Warren joined the Canadian Department of External Affairs in 1945. He was appointed Assistant Deputy Minister of Trade and Commerce in 1958. Since 1964 he has been Deputy Minister of Industry Trade and Commerce.

HOME CONTRACTS

£1.75m. Australian order for English Electric

English Electric-AEI Machines, of Rugby, has won a £1.75m. contract for four electric generator-motor units for a power scheme in New South Wales, Australia.

Standard Telephones and Cables has won Post Office orders worth £400,000 for eight electronic telephone exchanges. These will be installed at Ardleigh and Hannington, Essex; Potton, Beds; Oakmoor, Staffs; Long Buckley, near Rugby; Wedmore, Somerset; Longworth, Berks; and Shipton-Under-Wychwood, Oxon. The installations are scheduled for completion by February, 1973, with the first completed by November next year.

Wight Construction, a subsidiary of Earlsgate Holdings, has been awarded three Eastern Gas Board contracts together worth more than £20,000. The orders are for private automatic branch exchange systems to be installed at Luton, Barnet and Colchester.

British Rail Engineering has been awarded an order from the Ministry of Defence worth over £100,000 for a number of kits for the conversion of tracked personnel carriers into tank recovery vehicles. Delivery is expected to commence early next year.

McTay Engineering Group has been awarded a £200,000 contract for the first phase of a Morristown Edible Oil and Chemical storage terminal for Panace Shipping and Terminals at Eastham.

Robert Marriott has started work on a £130,000 Department of Environment contract at RAF Upper Heyford in Oxfordshire. The project is for the construction of two dormitory blocks to house 360 men.

Rise continues in Scots malt whisky output

THE BOOM in malt whisky production in Scotland continued into the second quarter of the year, according to Customs and Excise figures.

These show that while Scotch whisky output overall increased by 2.6 per cent in the second quarter compared with the same period of 1970 to a total of 35.85m. proof gallons, production of malt whisky in this year's period rose by 7.8 per cent over last year's second quarter to 15.75m. gallons. Grain whisky production slipped back 13.33m. gallons to a total of 23.13m. gallons.

The same holds true of the first half of the year, when total Scotch production increased 1.7 per cent compared with the

same half of last year to 73.19m. gallons. But malt whisky output rose in the period by a per cent to 30.86m. gallons, while grain whisky production slipped back 24.33m. gallons to a total of 22.33m. gallons.

This percentage growth in demand for malt whisky as against the continuing recession in grain whiskies, which can be bought with several years' maturity at comparatively low prices still, not only emphasises the place of malt whisky in blends but also helps illuminate the fact that several distilleries are planning new malt whisky distilleries at a cost of around £75,000 each.

ECONOMIC DIARY

Catering and motor trades turnover figures for June will be issued on Friday. Also on that day the Mechanical Engineering "Little Noddy" will publish a short-term trends report.

Unemployment figures for mid-August are to be released on Thursday, and the retail price index for July will be issued next Saturday.

Instrument Landing Systems

provide aircraft with the directional, longitudinal and vertical guidance necessary for landing. The world market for this equipment is rapidly expanding, with ordered requirements valued at £100m. by 1980.

Plessey looks for a substantial portion of this business, and is well equipped to supply and maintain the equipment on a worldwide basis.

Commenting on the importance of the agreement, Mr. Michael Clark, managing director of Plessey, said: "We are delighted to have concluded this deal with STC. They have developed an outstanding range of well-engineered equipment, which will fit in extremely well with our navigational aids capability."

Bass Charrington in talks with big Swiss group

BY KENNETH GOODING

FOLLOWING the rapid build-up this year of its British-style pub chain in Switzerland, Bass Charrington, one of the world's biggest brewers, has started negotiations for a commercial link with Feldschlosschen, Switzerland's largest brewing group.

The link-up would at least involve Feldschlosschen bottling and kegging beer imported from England but Bass would prefer that the arrangement made it possible for the Swiss group to brew a suitable Bass beer on the spot as well.

Other arrangements

This is the kind of deal which rival British brewers Whitbread has already fixed up with another Swiss group, Cardinal, and Bass has a similar arrangement with Tyngsryd's, the Swedish brewery. For some years Tyngsryd's has been packaging Bass beers and a week or so ago began producing one on a commercial basis locally.

There are now ten pubs carrying the Bass banner in Sweden where brewers are not permitted to own retail outlets. But Bass beer sales have shot ahead now that it has the benefit of Tyngsryd's distribution network.

In Switzerland, where brewery-ownership of retail outlets is allowed, Bass has made rapid steps building its pub chain this year. Since January a further six pubs have been opened in that country taking the total to eight. It is hoped that another will be opened in Geneva—making the third in that town before the end of the year.

Bassa has joined with local interests to set up two companies to operate the Swiss pubs, in each case holding a controlling interest in the companies—one for the Geneva area and one for the rest of Switzerland.

The idea is that Bass provides the expertise in choosing pub sites and the decor while having quite a large degree of control on the running of the establishments. On the other hand the day-to-day management is in the hands of the two local partners.

Most of the Bass pubs are called Mr. Pickwick and, apart from the two in Geneva, can also be found in Biel, Lausanne, Lucerne, Neuchâtel and Zurich.

Apart from Bass, and Worthington—which sells at about 25p a pint compared with 17p for local brews—the pubs sell Tennent's Lager and range of Bass's spirit brands.

Cost of pubs

The pub cost on average about £400 each of which about £15,000 to £20,000 goes on the decoration which are made in the U.K. and shipped out. The first was opened in Geneva just over two years ago and last year it sold more beer than any other outlet in the town except for the airport, the station and a well-established students' cafe.

Bass's success is already attracting competition, particularly from Movenpick, the Swiss catering chain. But so far Bass's are the only outlets which use the English-style self-service system both at the bar and for food. Self-service is almost

unknown in Switzerland and Bass's competitors are a little reluctant to go the whole hog—and in consequence their margins of profit must be slimmer.

Bass International's marketing manager for Switzerland, Mr. Tony Hudleston says the group is aiming for a minimum of 10 and a maximum of perhaps 30 pubs in that country. At that stage it might be possible to build a franchise operation where Bass would not have to put up any more capital. Some caterers were already expressing interest in Anglophile bars as this gave them the opportunity to change over to self-service style without losing customer goodwill.

Beer exports £2m.

Bass is currently estimated to have about 27m. units sold in continental Europe with the bulk of this tied up in the Lomot brewing group in Belgium, acquired last September.

Although Lamont recently converted one of its outlets to a British-type pub called the Sherlock Holmes there are no plans as yet to push ahead with this kind of operation in that country where rival U.K. brewers, Wm. Mann and Whitbread, have already built up extensive interests—including English-style outlets.

Last year Bass exported £2m. worth of beer (accounting for one-third of the total U.K. beer exports) and, thanks to the establishment of the pubs in Sweden and Switzerland, sales are showing a 30 per cent increase so far this year.

London hotels 'no dearer than those on Continent'

BY JUSTIN LONG

THE frequently-heard complaint that London hotels are the most expensive in Europe is just not true according to a special study of hotel charges carried out by American Express in London, Paris, Rome, Brussels, Frankfurt and Geneva.

It could even be cheaper to stay in a de luxe class hotel in London than in similar accommodation in some Continental cities.

In general, London hotels are on the same price level as their European competitors. Mr. Stephen Halsey, senior vice-president and travel manager of American Express, maintained yesterday when he commented on the study.

On a like-for-like basis, with consistent pricing and including taxes and gratuities, London's Savoy Hotel, for example, offered a rate of £26.50 a night for a twin-bedded room.

In Paris, the Bristol, George V, Plaza and Ritz charged between £28 and £32 for similar accommodation. Rome offered the Excelsior at a starting rate of £28. The Paris Hilton (on a single and twin-room basis) was also higher than its counterpart in London.

Although Paris had a few more de luxe hotels than London and other cities, the price structure in the range of £12 to £28 was approximately the same in all the cities covered by the study.

But in the first-class "A" grade of hotels, it does seem that London hotel prices are higher, Mr. Halsey admits.

Greater choice

In this category, London had 11 hotels out of American Express's listing of 25 in the twin-room bracket of £20 and above, compared with the Amsterdam and the Hilton Only in Paris with a tariff range of £14 to £27.

The Hotel Flora in Rome offered a twin-room at just over £17. The most expensive hotel in Frankfurt was the Intercontinental at £15.

In Brussels, the Amigo charged £16.50, Geneva the Richmond and La Reserve hotels were in the £16 category.

The balance is restored going down the scale, and in the plain first-class category, London, according to Mr. Halsey, with

Nabarlek uranium reserves shock for Sydney

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

THE ORIGINAL estimates of the size of uranium reserves and grades at Nabarlek cannot be sustained, an announcement said by Queensland Mines said to-day, as September, the company reported, indicated reserves of uranium oxide at Nabarlek of some 55,000 short tons, with an average grade of 540 lbs to the ton of ore.

To-day, following the resignation of a director and the illness of its chairman, Mr. E. R. Hudson, the Queensland Mines' Board announced that drilling to date has "outlined reserves of approximately 9,000 short tons" of uranium oxide.

This comprises 400,000 short tons of ore, having an average grade of 16 lbs to the ton, thus containing 3,200 short tons of uranium, and 48,000 short tons of high-grade ore, having an average grade of 240 lbs to the short ton and containing 3,760 short tons of uranium.

The announcement, made after the Stock Exchange closed yesterday, Sydney, confirming it does not affect the Mineral Securities and Leopold affairs. It is widely expected to depress the market when it opens on Monday not only in uranium shares but right through the mining stocks.

In Brussels, the Amigo charged £16.50, Geneva the Richmond and La Reserve hotels were in the £16 category.

The balance is restored going down the scale, and in the plain first-class category, London, according to Mr. Halsey, with

denying the accuracy of the original figure.

At this stage the company has not been able to negotiate a contract for the sale of the uranium, despite several overseas trips by Mr. Hudson.

Recently, the Senate Select Committee investigating Securities and Exchange discussed the problem of company statements and reports. It urged there ought to be some cross-checks, in particular after the Leopold affair.

It is now clear that some system which will give a degree of credibility to all mining company reports will have to be instituted if the public is to believe any further statements.

Earlier to-day, the Sydney Stock Exchange queried the company on its share drop from \$A1.50 to close at \$A1.1. The announcement is likely to be the subject of discussion at the Stock Exchange Committee meeting next Monday.

Listing regulations of the Sydney Exchange state that companies must not issue statements or withhold information that would result in the creation of a false market; the committee will look at the matter to determine if there has simply been what has been described as a "simple, honest and terrible mistake" or if information has, in fact, been withheld.

Laid-up merchant ship total rises to 206

BY JAMES McDONALD, SHIPPING CORRESPONDENT

AT THE start of this month 206 merchant ships, totalling 1,382,753 gross tons, were laid up throughout the world because of lack of employment. This is the highest total since September, 1964, and compares with 129 ships of 769,000 tons at the beginning of July.

These laid-up totals were forecast in the Financial Times on August 7. The U.K. Chamber of Shipping, announcing the figures, said that although there had been a big increase in the volume of laid-up shipping, "the latest figures still represented well under 1 per cent of the world

in the dry-cargo sector—nearly 1.1m. tons—and consist mainly of smaller, older, general purpose vessels. Nearly 50 per cent of this tonnage is over 10 years old, and 85 per cent is over 15 years old.

Just over 220,000 tons—most is under 15,000 tons per ship—60 per cent is over 10 years old, and 66 per cent is over 15 years old.

In 1964, the Chamber's spokesman pointed out the world fleet totalled 143m. tons. To-day it is more than 210m. tons.

Most of the tonnage laid up is

REPORTS from the U.S. that the Marine Corps is now being authorised to spend over \$30m. (over £15m.) on further 30 Hawker Siddeley Harrier vertical take-off fighters has been welcomed at Kingston-on-Thames and Dunsfold, Surrey, where the aircraft are built.

The Marine Corps has already firmly ordered 30 of these aircraft, of which about half have been delivered, and some time ago told Hawker Siddeley that it could order long "lead-time" materials for another 30, in anticipation of a firm order. It is this second batch of 30 for which initial funding is now underway.

Ultimately, it is expected that the Corps will buy as many as 114 Harriers, probably in batches, while it is also hoped that an order for the aircraft will be forthcoming soon from the U.S. Navy.

Where the real money is in Paris fashion to-day

Elinor Goodman explains Yves St. Laurent's decision to stop showing his haute couture collections and concentrate on ready-to-wear



From St. Laurent Rive Gauche: left—tight-fitting blouse of lacquered silk, wool tights ending above the ankle, and red varnished shoes. Right—coat in bright green lambswool, knitted bonnet, pullover and velvet knickerbockers worn with heavy crepe-soled boots.

"toile" or pattern of designs included in the collections to manufacturers who make up clothes and distribute them through their own outlets. Unlike his own ready-to-wear range, the couturier usually has little control over the end product; and when he licenses use of his name on unrelated products like night wear and stockings, he has even less influence.

According to some of the more conservative elements in Paris the couture houses have debased their own image by allowing their names to be used in connection with inferior products. But as realists point out, few couture houses would survive within this type of income—and most of them are watched by large aggressive companies who provide the blocking. (St. Laurent is owned by the American chewing gum company Squibb.)

Thus, Pierre Cardin's dream agreements represent 80 per cent of his turnover, while Christian Dior's royalties from stock-in-sales alone account for 20 per cent of his.

But in most cases the biggest single money-spinner of all in non-fashion activities is perfume. Jean Patou would never really need to sell another dress again, says Jean Rook, fashion editor of the Daily Mail, "as long as he goes on selling 'Joy' at 25 an ounce." All the houses have at least one brand, and most have extended the range to include many other beauty products. At Dior, perfume sales—separately managed—have reached a turnover equal to 10 per cent of the whole fashion side, while at Nina Ricci perfume sales are several times more valuable than fashion sales.

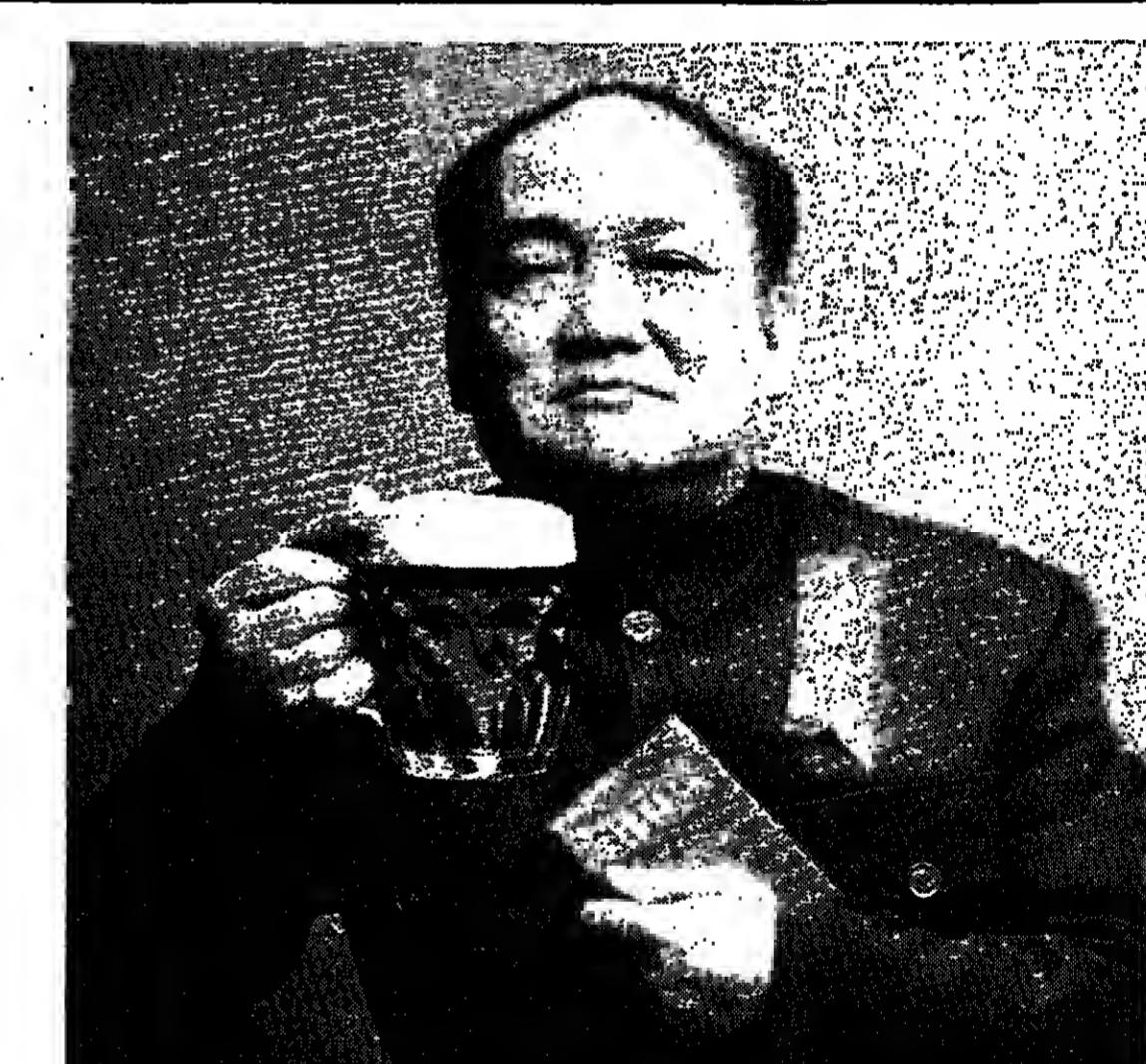
So large are their perfume interests that most houses have formed separate companies to handle them. Total turnover figures for the 20 leading couture houses do not therefore include perfume sales. Even so, last year the couturiers had a turnover of just under £15m., of which almost half was export.

"That's not bad for a giant that is supposed to be losing its power," says one couture house.

Indeed, Paris does seem to have recovered from the knock its pride suffered when London first started swinging. It may not have quite the same appeal as New York, but it is still a major centre of the fashion world.

Others deny this, saying that the main reason why wealthy women regard ready-to-wear is not so much financial but the fact that they are not prepared to wait for weeks while garments are sculptured to the body during numerous fittings.

In the case of women's clothing this may mean selling the



You've only got to taste it to go with Watneys Red

Watneys Red was launched in April.

It is already the most talked-about beer launch for years. And the most successful. Total gallonage sold is way up over last year's Red Barrel sales. Hundreds of new accounts have been opened.

To launch a massive operation like Red you have to have something more than the deep instinct for the business, which all brewers share. You need all the perceptive marketing, the sophisticated research of modern management.

The success of Red shows that Watneys know their business.



At the Victoria and Albert Museum, South Kensington

AUGUST 19—OCTOBER 10

COVENT GARDEN

25 Years of Opera and Ballet

A fascinating exhibition which reviews the theatre's post-war achievements with a glimpse into its future, using music, film, models, scenery, stage properties, documents and photographs.

Films include Callas and Gobbi in *Tosca* Act II; Fonteyn and Nureyev in *Marguerite and Armand*; specially made film of Fonteyn as *Ondine*. Bergman as the Lilac Fairy and five pairs of dancers in the Balcony scene from *Romeo and Juliet*.

There are models for *Romeo and Juliet* and *Anastasia*. The Knot Garden, Aida and *Tristan und Isolde*; paintings by David Hockney, Brian Organ and others; and proposed plans for the redevelopment of the Royal Opera House when the Market moves.

Weekdays 10-6 (Tuesday, 10-9) Sundays 2-6.30
Admission: 30p Students and OAP's 20p.

RUBBER OUTPUTS

Company	1969	1970	Total	Per cent	1969	1970	Total	Per cent	1969	1970	Total	Per cent	
	1,000	1,000	1,000	per cent	1,000	1,000	1,000	per cent	1,000	1,000	1,000	per cent	
Brunswick	1,534	5,444	1,120	7.5	725	2,205	2,930	1,250	6.7	1,721	1,250	3,971	9.6
Bruswell	1,206	2,552	2,601	2,005	629	627	1,241	1,510	5.5	1,200	1,200	2,400	4.4
Bulln Mer.	1,025	741	5,746	10	731	2.5	916	916	3.3	922	922	1,844	4.4
Castrol	928	4,075	7,058	12	6,405	7.6	1,250	1,250	11.9	1,250	1,250	2,500	6.3
Cheva	1,133	132	594	2	671	6.7	2,200	2,200	3.2	2,200	2,200	4,400	6.3
Chesapeake	510	17											

Overseas News



I BRIEF

AUSTRALIA — Mr. David Fairburn, who once refused to serve in Mr. John Gorton's cabinet, has replaced him as Minister of Defence. Mr. Fairburn is 54 and was born in Surrey.

NEW ZEALAND dock workers went on strike yesterday for 24 hours, halting operations in the port's terminals until Monday. Dockers are demanding wage increases believed to be more than 20 per cent, against a 7 per cent maximum, with cost of living adjustments on top, agreed by the Government's wage restraint policy.

PORTUGUESE secret police have launched an investigation of terrorist groups which the government said yesterday were closely linked with the banned Marxist Communist Party.

VE涅ZUELA suggested at UN a secession committee in view of a compromise between the 12-mile territorial sea limit set by the West and the 200-mile limit claimed by most Latin American countries.

CHILE'S biggest copper mine Chuquicamata is virtually closed by an indefinite strike of metal processors.

TANZANIA'S foreign reserves, which dipped last year and remained below the level of the past two years until the end of June, are now recovering, having risen at the end of July by £5,250,000, an increase of 10 per cent on the previous month.

PHILIPPINES — Construction of a £9.37m. sugar mill manufactured by Fletcher and Partners of London is imperilled by cuts made by the U.S. Congress on the Philippine sugar quota.

OPEC resolutions seek participation

BY OUR OWN CORRESPONDENT

VIENNA, August 13.

Eleven member States of the Organisation of Petroleum Exporting Countries (OPEC) have decided to take immediate steps towards what is called "the effective implementation of the principle of participation in the existing oil concessions."

Ministerial committee consisting of the representatives of Iraq, Kuwait, Libya and Saudi Arabia will submit recommendations to an extraordinary OPEC conference which is now scheduled for September 22 in Beirut.

The move was announced in a communiqué published here yesterday, with the customary delay of a month, about the resolution adopted at the 23rd and the 11th OPEC conferences held in Vienna between July 10-13.

Although no further details were announced in the resolution, it is understood from reliable sources that the member states aim at securing a 20 per cent stake in the property management of the co-operative companies. The five-member ministerial committee will meet on September 20 in Beirut to draw up the final recommendations for the extraordinary conference to begin two days later.

Japan may oppose U.S. complaint to GATT

BY OUR OWN CORRESPONDENT

TOKYO, August 13.

The American Government's intention to lodge an official complaint with the General Agreement on Tariffs and Trade (GATT) regarding Japanese maintenance of import restrictions was confirmed by acting Foreign Minister Toshio Kimura today in a meeting with newsmen during to-day's Cabinet session. Mr. Kimura said it was a situation which could only be solved by further Japanese efforts to liberalise imports. He said that Japan's ambassador to Washington, Nobuhiko Ushiba, had been informed by Philip H. Agee, department of State assistant Secretary for Economic Affairs, that a general relaxation of import restrictions by Japan is the goal of the U.S.

America intends to invoke Article 22 of GATT unless Japan makes definite moves to remove trade barriers, Mr. Trezzini said. The Japanese Ambassador

The article permits a member to take its complaints to a GATT general convention if it claims to have suffered losses as a result of another country's failure to observe obligations under the agreement.

Romania-Boeing deal

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

Romania, already out of favour with the Kremlin because of its friendly relations with China, is likely to incur further disfavour with the news that it is buying \$50m. worth of aircraft from the U.S. This was broken in a report in Congress by Senator Abraham Ribicoff, just returned from a tour of Romania and Hungary.

Reuter adds: "Japan's tariff rate council will urge import duty cuts later this month on more than 30 foreign items, mostly consumer goods and raw materials, the Finance Ministry said today. Items on the council's list of recommendations will include cheese, eggs, whisky, instant coffee, cars, air conditioners, fountain pens, photographic films, and soy beans."

Romania's independence in this and other matters has, however, again come under fire from Moscow—this time through the authorisation of an article in the Hungarian journal, Magyar Hirlap, warning that "an extremely dangerous situation" could develop in the Balkan peninsula if China sought to build "an anti-Soviet axis" there.

Syria and Jordan accuse each other of launching attacks, losses claimed

BY OUR OWN CORRESPONDENT

SYRIA yesterday accused the Jordanian Army of launching re-erection attacks on its territory. Radio Damascus said that King Hussein's troops had opened tank and artillery fire on military and civilian targets. A Syrian military spokesman was quoted as saying that four Jordanian tanks had been destroyed in the exchange.

In Amman the Government denied that the Jordanian Army had attacked Syrian territory on Thursday or that it was responsible for the outbreak of fighting which led to the breaking off of diplomatic relations between the two countries by the Damascus regime.

A statement issued here by an official spokesman said "unidentified forces attacked a Jordanian camp in the past two days." As a result, the Jordanian Army had been "forced" to reply to the fire in legitimate self-defence, damaging five attacking tanks, and destroying a mortar gun position and an

observation post, near Tel Dahdah. The Damascus claim that Syrian troops had destroyed four Jordanian tanks was denied.

Although the Syrians announced a Jordanian Army patrol equipped with tanks and armoured cars entered their territory, individual soldiers and policemen who were witnesses to Thursday night's fighting told me in Damascus that a Syrian force of 14 tanks had attacked across Jordanian territory at 17.30.

Witnesses backed up the Jordanian military spokesman's statement that five Syrian tanks had been damaged. A police officer said Jordanian artillery fire forced the Syrian attack to withdraw. According to a military spokesman the attacking force consisted of one armoured squadron and infantry company.

Commenting on Syria's actions against Jordan an official spokesman said "We were taken by surprise by the Syrian Government's hasty reaction especially as it came after the Jordanian armed forces general headquarters had contacted a Syrian Army

official to investigate clashes which took place on the Syrian-Jordanian frontier on Thursday afternoon and to prevent recurrence of such incidents."

Royal Jordanian Airlines Alia, the only company affected by the over-flight ban, has managed to maintain all its schedules. Some flights are being re-routed to avoid Syrian air space while other carriers have been chartered to carry Alia passengers on routes which must pass over Syria.

The Syrian move caught everyone in Jordan by surprise. The Government-owned daily Al Razi, in a front page leading article, to-day said the situation was the same as in 1958 when Jordan was exposed to the same pressures as Soviet influence penetrated the Arab world.

Wall informed Arab observers here speculate that the whole Syrian move may have been geared to strengthen the hand of Mr. Ohmar Sakkaf, the Saudi Minister for Foreign Affairs, and Dr. Kholy, President Sadat's special envoy, in their negotia-

tions with the Jordanians to settle the dispute with Palestinian guerrillas. The mediation team arrived on Wednesday reportedly bearing concrete proposals for a new relationship between Jordan and guerrilla organisations.

Dr. Kholy after five hours of meetings between the mediation team and Prime Minister Wasfi Tell acknowledged that there had been no substantial progress up until Thursday night.

After flying to Aqaba by helicopter and conferring with King Hussein, Mr. Sakkaf and Dr. Kholy left by plane from Amman for Damascus this evening.

It seems certain that mediation between Syria and Jordanian authorities has now replaced the original task of mediation between Jordanians and guerrillas. After Syria closed its borders to Jordanian nationals and vehicles registered in Jordan leaving Jordan for Syria and banned movement of all goods bound for Jordan last month, Saudi Arabia undertook to mediate in the dispute.

HUNDREDS of children are dying every day from malnutrition in the East Pakistani refugee camps in India, the coordinator of the Oxfam relief operation said here today. Mr. Julian Francis said the figures were based on reports and impressions from doctors and relief workers of other organisations as well as Oxfam.

"There is no doubt hundreds are dying every day," he said. He could not say how long this had been going on but said it was "for some time." "The doctors think the malnutrition is worse than in Biafra," he said.

The problem vital to save the children is available, but the major problem is one of transport and distribution. Floods, caused by the monsoon rains, have made it impossible for trucks to reach some of the camps where the problem is most acute.

Although Mr. Francis, an agriculturist, could not give exact figures of how many children might be in danger from malnutrition, but the U.N. Children's Fund (UNICEF) has estimated that a special feeding pro-

'Hundreds of children' are dying daily in Indian refugee camps

CALCUTTA, August 13. "many serious errors of judgment in the past when they attacked India and embarked upon an adventure against their own people. The possibility of more miscalculations is a serious one."

Indian Defence Minister Mr. Jagjivan Ram also said that although the American arms supplies to Pakistan did not pose "a security threat to India," coming when a people was fighting for freedom and democracy in East Pakistan the supplies went against the very fundamentals on which at one time Americans fought for liberty.

Mr. Ram said: "It appears America has lost balance, lost all sense of proportion and love for democracy and liberty and is encouraging the military rulers of Pakistan to suppress and annihilate the people of Bangla Desh..."

It was also announced in New Delhi to-day that the Indian Government had already ratified the 20-year treaty of "peace, friendship and co-operation" signed here with the Soviet Union on Monday.

Reuter

ALGERIAN HOPE FOR GASLINE TO EUROPE

PARIS, August 13.

Algerian President Boumedienne wants France and other European nations to build a giant gas pipeline through North Africa to Europe. He was speaking in a wide-ranging magazine interview published here.

He said: "If France wishes to truly apply her policy in the Mediterranean, she should—with the aid of her European partners—build a gas pipeline of 10,000m. to 15,000m. cubic metres (a year) which would carry out gas through Algeria and Morocco to Europe. We are ready to give all possible help to such a project," he said.

Reuter

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liabilities, but this is not adjusted for in the Unit price. In present circumstances, it intends to limit this deduction to two-thirds the normal rate.

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You can normally cash in your Bonds at any time and receive the full bid value of the Units, subject only to any adjustment for Capital Gains Tax, as described earlier.

In exceptional circumstances the Company retains the right to defer payment for up to six months pending realisation of properties.

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Disclosure of Information

As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

This includes photographs of the properties. And full financial information to let you see exactly how your money is invested.

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As soon as it's accepted, you receive your Bonds which show the number of Units you've been allocated in the Abbey Property Bond Fund.

Abbey Property Bonds

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To : **Abbey Life Assurance Company Limited,**
Abbey Life House, 1-3 St. Paul's Churchyard, London, EC4M 9AR Tel: 01-248 9111
I wish to invest £_____ in Abbey Property Bonds (any amount from £100) and I enclose a cheque for this amount payable to **Abbey Life Assurance Company Limited.**

Surname (Mr./Mrs./Miss) BLOCK CAPITALS PLEASE

Full First Names _____

Address _____

Occupation _____

Data of Birth _____

Are you in good physical and mental health and free from the effects of any previous illness or accident?

If not, please give details _____

Do you already hold Abbey Property Bonds or Abbey Equity Bonds or another Abbey Life Policy? _____

Tick here for 6% 'Withdrawal Plan' (minimum single investment £1,000)

* Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.18.
Offer closes on Tuesday August 24.

Signature _____

Date _____ PB FT SAT | 3 | 0 |

Age when buying Abbey Property Bonds	Life Cover per £100
Under 30	£250
30-34	£220
35-39	£190
40-44	£160
45-49	£135
50-54	£120
55-59	£110
60-64	£105
65-70	£100

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SATURDAY AUGUST 14 1971

The \$ under pressure

THE TROUBLES of the dollar have become a permanent part of the international scene, but its difficulties during the past week have been worse than ever. It has been weak in relation to all the main European currencies, and the steady pressure has been so strong at times, that central banks, including the Bank of England, have offered support in the market. The D-Mark has floated upwards to a premium of more than 8 per cent above its original dollar parity. And the gold price, the other main barometer of the dollar's condition, rose at one time to more than \$44 an ounce on the London market. When the Swiss authorities, the sternest custodians of the fixed exchange system, limit dollar convertibility, as they did briefly at one point in the week, it may be assumed that uncertainty is unusually great.

Immediate reasons
There are several immediate reasons for this flurry—notably the publication last week of the report of the Reuss Sub-Committee of the U.S. Congress, which abandoned the usual discretion of such bodies and announced firmly that in its view the dollar was over-valued. It is also true that the weeks before the annual meeting of the IMF and World Bank in September are apt to be nervous ones in the currency markets because of rather unrealistic expectations that a general realignment of parities might be agreed there. Nevertheless this kind of accidental factor only brings underlying fears to the surface, and it is the underlying disquiet about the health of the dollar that really matters.

The American symptoms are familiar by this time—a continuing deterioration of the trade balance, a steady outflow of the capital account and a dwindling gold reserve. This last problem has become particularly ominous during the past few months as the gold reserve shrank towards the magic \$10,000m. figure which the authorities have traditionally regarded as the minimum safety level. The reluctance of other countries to accept further accumulations of dollar holdings is once again becoming acute, and while there is no immediate rush in demand that unwanted dollars should be cashed for gold by the U.S. authorities directly, there has been a tendency to unload them on the IMF—which comes to

the same thing at one remove. In the light of all this there is a general disposition to agree with the Reuss Committee's diagnosis that the dollar is over-valued.

No one doubts that the objective must be to produce a more realistic exchange relationship between the dollar and the currencies of America's chief economic partners. The difficulty is to find a way of achieving this which does not meet apparently insuperable political objections. In theory there are two broad approaches to the problem. Either the dollar changes its relationship to gold or all the strong currencies float or revalue upwards against the dollar. But for the present both routes are barred.

An increase in the official dollar price of gold has always been resisted by the American authorities on the grounds that it is a haphazard way of increasing world liquidity, that it would reward America's enemies (particularly the Russians) and penalise her friends. Some of the objections have been lessened by the introduction of the two-tier gold price and, as the Reuss committee points out, it should now be possible to float the dollar temporarily against gold and arrive at a new parity (say 10 per cent to 15 per cent) below the present one, without massive disruption of the international system. But the chances of the U.S. administration submitting to this blow to its prestige in a pre-election year is so remote as to be virtually nonexistent.

Trade danger
The alternative—an upward valuation of the strong currencies—is, if anything, even more difficult to achieve since it depends on the consent not of a single government but on the whole Group of Ten. Proposals mooted within the IMF, and now backed by the U.S., for widening the permitted margins around currency parities to 3 per cent, will give a little extra room for manoeuvre but they are in essence only a palliative.

The danger is, of course, that if neither the American authorities nor the Europeans and Japanese find it possible to move directly, the pressures towards trade restriction of one sort or another are bound to become overwhelming. That is the prospect which no one wishes to contemplate, but in the present mood of the Western governments it is apparently regarded as a lesser risk.

The American symptoms are familiar by this time—a continuing deterioration of the trade balance, a steady outflow of the capital account and a dwindling gold reserve. This last problem has become particularly ominous during the past few months as the gold reserve shrank towards the magic \$10,000m. figure which the authorities have traditionally regarded as the minimum safety level. The reluctance of other countries to accept further accumulations of dollar holdings is once again becoming acute, and while there is no immediate rush in demand that unwanted dollars should be cashed for gold by the U.S. authorities directly, there has been a tendency to unload them on the IMF—which comes to

By all accounts the end of one of the most dramatic and theatrical occasions in the history of the UK oil industry. For the first time the British Government has decided to introduce an element of Alaska-style bidding on North Sea concessions in its latest round of allocations. On Friday afternoon, in a room of the Department of Trade and Industry, the sealed bids for the blocks on auction will be opened one by one and the offers announced to an expectant audience of representatives of most of the leading exploration groups and of the Press.

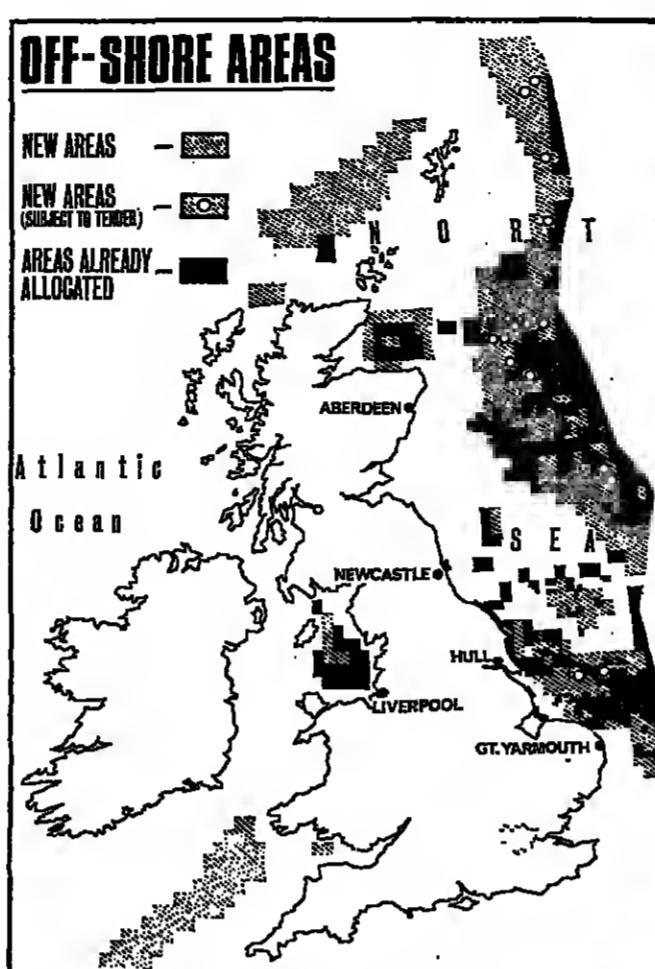
At this stage few are prepared to predict just how much the concessions will fetch. The 15 blocks on offer for auction are only a small and experimental part of the total acreage on offer and there has been no previous experience of this kind of bidding for North Sea lots. One company's valuation may differ entirely from another's, depending on interpretation of the seismic information, while the sealed bid system means that applicants have little idea of the general level of competitors' offers.

Bidding will be high

But there is little doubt that the bidding will be high. A series of oil finds in the North Sea over the past two years has confirmed that the area is one of the most highly promising in the world. In the last seven months a dozen exploration and assessment wells have been drilled and the companies are now in a feverish and highly secretive stage of interpreting the findings, gathering new partners and arranging the exchange of information on each other's wells.

The more experienced groups are balancing the attractions of one area against another with the knowledge that they have a good chance of gaining non-auction blocks while the newer consortia are calculating the cost of buying into the action with high bids. By the end of the deadline day as much as £150m.-£200m. could well have been offered in bids and well over 100 applications put in for the various types of licences.

The real importance of the introduction of a bidding system lies less in the amount of money that it could bring the Government than in its implications for future licensing policy. The 15 blocks at auction, while all of considerable promise, have been largely picked to test the reactions of the industry. Widely separated throughout the North Sea, they include two blocks in the southern, gas-producing areas, a number in the general area of



the BP, Shell-Esso, Phillips and Hamilton Brothers' finds in Scottish waters, and several in the more difficult areas northeast of the Shetlands, where little drilling has so far been carried out.

Most of the blocks involve different types of geological structure and, although all are likely to attract substantial offers, the main interest of the Government in picking them seems to have been not so much to gain the maximum amount of revenue for 15 blocks but rather to test the water on different types of "play." By examining the level of bids for the various blocks and the type of group or company that bids highest, the DTI hopes to be able to decide whether this system is best suited to the long-term interests of the country, and how it should be developed.

Its final decision will be of major significance and is bound to be hotly debated. While the auction system has been long practised in North America, it has not been much used elsewhere. In the Middle East, Africa and many parts of Asia, the tendency has been to concentrate more on national participation and government control over the licence terms.

Exclusive concessions have continued to be awarded to individual groups and companies, but they have increasingly involved partnership or production-sharing with state oil com-

panies and obligatory company contributions to the national economy through training schemes, investment in industrial projects, and so on. Overall, the policy has been to avoid foreign control of indigenous natural resources.

Emphasis on speed
In the seven years since its first round of North Sea licences in 1964, the U.K. Government has followed a policy between the extremes of nationalism as now practised by the Venezuelans and Algerians, and the free market bidding practised in the U.S.

The main emphasis of the policy has been on rapid exploration and development rather than immediate revenue. Applications have been open to any company, almost without restriction, and the licences have been awarded to those companies which, in the opinion of Ministry experts, offered the most suitable work programme for drilling.

In addition, the Government has also exercised some discrimination in favour of British interests, an element that was more emphasised under the Labour Government. In the last round, compulsory participation with the State gas and coal concerns was introduced on the part of the new licences in the Irish Sea.

Financial requirements were relatively low by international standards, basically consisting of a rental per square mile, but the companies were compelled to return at least half the licence area to the Government after an initial six-year period.

On the whole, this system has been a good one. It has enabled the U.K. to develop its main gas reserves rapidly in the early years of exploration and to continue with a relatively high rate of exploration at a time when industry interest in the North Sea was waning before the oil discoveries were made.

A wide variety of companies attracted by the terms, have been encouraged to enter the field and the Government has been able, through discretionary awards, to control the proportion of British participation in the search.

The central weakness of the policy has been the lack of a sufficiently severe system of punishment for those who failed to carry out their work programmes. Although they could be forced to give up all their licence acreage after six years, there was nothing like the Canadian system of posted bonds which could inflict financial losses. In retrospect there may also have been a tendency on the part of Government to give allocations to newcomers, particularly British, who had neither the experience nor the financial strength to

tackle the expensive problems of off-shore technology.

The recent oil discoveries in the more northern waters have in many ways changed the context of North Sea licensing. The potential profit from oil production is considerably greater than that from gas—in which producers have been forced to sell to a monopoly buyer—and the interest of the oil industry in the new round of licences has been proportionately greater than in past ones.

Proponents of the auction system argue that the time is now right for its widespread introduction. The system, they say, is a simple and effective means for the U.K. to take financial advantage of this interest. It does away with the need for Government officials to spend time and energy deciding between competing applications for the same licence; above all, it enables the Government to "cream off" the surplus profit that the oil companies might make from production, thus relieving it of the need for heavy taxation on profits.

Many of the companies reply that the long-term effect of auctioning blocks is to reduce the rate of exploration and development. With a limited total budget for exploration and production, the amount spent on expensive bids simply means that much less is spent on actual work. This could be particularly important in the North

and there seems little advantage in enforcing labelling of food products with details of food composition unless the general public understands what food composition means to them."

Many socially desirable changes, especially relating to health, have benefited people who did not all understand them at the time.

If the labelling of food products with details of composition arouses some people's curiosity about food values, this is likely to raise the level of the general public's knowledge of nutrition. I would have thought that this was socially desirable, but not commercially desirable, because it would mean a change, probably a reduction, in the activities of the manufacturers of food products.

D. W. Lancaster
1, Dorset Grove
Aylesford, Hants.

Stock market joys

Sir.—You gave my youngest daughter great pleasure when printing (July 31) her light-hearted views on the impact of the stock market on the domestic scene.

Perhaps this fairy story will have influenced her impressions and views.

Three years ago I invested for £100 in a company which, in one year, had ceased trading and the money was virtually lost.

Five years ago we took into the house a grand piano to give it a home until the young woman who had inherited it could accommodate it. Rosalind has had hundreds of hours of pleasure, as music is one of her talents.

In May of this year the owner of the piano decided to sell it as she was going abroad. We had a joint valuation and instead of the expected hundreds the piano, due to its age, was valued at £20.

Within a week the Merchant

Bankers who had made the issue of the company aforementioned offered to buy back the worthless stock at £20.

Rosalind is now the proud owner of a wonderful if ancient grand piano and has an extra £20 in the bank.

It is not surprising that she

has sold a reference book.

Mr. Tugendhat comments:

"I also said that it is usually very

easy to convince the protagonists

of the referendum idea that it would be impractical and un-

suitable."

A bank's query

Sir.—It may interest defenders

of the sacking to know that

when I asked for £2 worth of

my local bank I was asked what

I wanted them for and told that

they were collecting them

since they were going to be withdrawn.

D. A. Hogarth,
84, Roman Road,
Colchester CO1 1UP, Essex.

Cinderellas

Sir.—In his article of August 6, entitled "Supervisors—Industrial Cinderellas," your correspondent, Mr. Stanley Oliver, provides some perceptive comments on the problems surrounding the role of supervisors in the larger industrial concerns. However, I cannot go along with his analysis nor with the suggestions he put forward to put things right.

Briefly, Mr. Oliver attributes dysfunction at supervisory level to the increase in corporate size and the emergence of specialists. He further implies that the problem can be removed by greater involvement with senior management.

To my mind, the root of the problem lies deeper—in the ambiguity of management expectations surrounding the supervisory function. There are many instances where senior managers emphasise the need for supervisors to "manage" the workers for whom they are responsible, while in practice they make it quite clear that absolute priority must be given to getting the product through the various stages of manufacture, even if the supervisor has to spend the bulk of his time chasing materials or acting as a spare labourer.

A solution? Not as easy as your correspondent appears to suppose. I would suggest the following. First, analyse the supervisor's role, separating out the management elements from those tasks essential to keep the flow of production going. Second, re-structure management so that senior supervisors are left to manage while the other "progressing" tasks are left to other more junior employees. I would not suggest that this solution is easy to implement. The alternative is continued low supervisory performance with, perhaps, your managing director acting as your business progress chaser of all.

D. H. Jenkins,
13, Landford Road, S.W.15.

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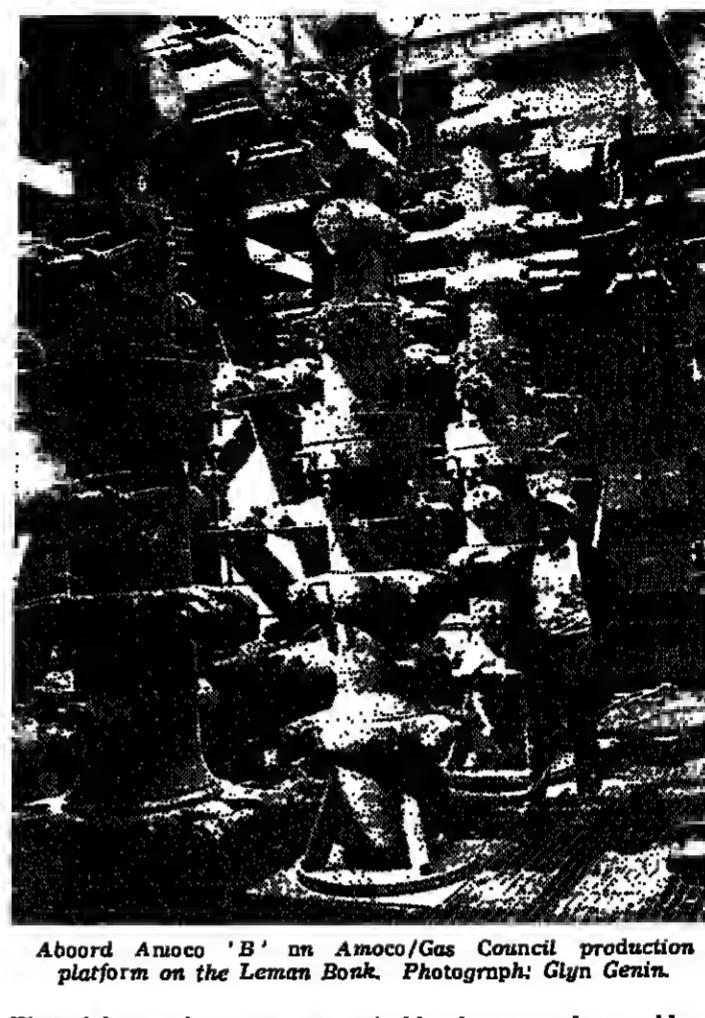
Please send me, in confidence, full particulars of your School Fees Plan.

NAME
(Block Capitals, Please)
ADDRESS

FT 148

Why North Sea prospectors have been asked to bid

Sealed bids for 15 of the 436 blocks on offer in the new round of oil and gas exploration licences will be opened and read out in public at the Department of Trade and Industry next Friday. Adrian Hamilton discusses the experiment



Aboard Amoco 'B' in Amoco/Gas Council production platform on the Leman Bank. Photograph: Glyn Gerini.

Sea, where the technological problems are uniquely acute and drilling extremely expensive. Other critics of the system stress that an auction system tends to favour foreign companies, especially those from the U.S. (and, under new tax proposals, from Canada), whose tax allowances are more favourable than in the U.K.

Experience in North America provides an easy answer to the debate. On one hand, as with Alaska and off-shore Louisiana auctions have illustrated, it has clearly prompted immense and often unwilling capital expenditure by the oil industry on bid. On the other, there are no strong indications that the auction system has resulted in reduced exploration effort, the detriment of the U.S. oil serves. There is also considerable evidence that it tends to promote both foreign dominance of exploration, as Canada has found, and the growth of investment consortia whose interest lies in waiting for the concession to grow in value as they sell it to oil companies to develop when its market value has risen.

How far the present U.K. auction will indicate a solution for the North Sea is uncertain. For the moment at least, it represents an enormous dip in the market to test the temperature. The blocks on auction offer only 3 per cent of the total acreage open for application. While some of these 15 are in difficult waters, none are completely virgin territory like the Western Approaches or west of the Shetlands—where considerable territory is now being offered on a non-bidding basis.

Indeed, both in Government and in the oil industry there remains a strong feeling that an auction will always be unsuitable for the more difficult unproven areas and that fundamental policy should consist, at the most, of a mixed system.

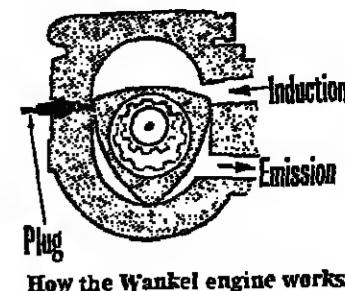
Little public debate

Certainly the auction will give some indication of the type of company which will respond best and the level of revenue which future offers might bring. The fear remains, however, that the sheer size of the offers will prove too attractive for politicians to resist in the next rounds. In the end, an auction system could well be incompatible with rapid development if it is extended widely. The general criticism must be that changes and development of licensing policy—with energy policy as a whole—have taken place without proper public debate and without a full explanation of the aims and alternatives.

Inventory management

What Lonrho sees in the rotary engine

BY JAMES ENSOR, Motor Industry Correspondent



IT SEEMS a little bizarre, at first sight, that the inventor of the most exciting development in the motor industry since he war should choose to sell his company to a British mining company. Yet Lonrho's purchase of the Wankel company for an estimated £14m. is just that.

Lonrho's main interests include mining gold, platinum and oil in a number of African countries, including South Africa and Zambia. It has profited from making successful investments in politically risky areas which other sources of capital have shunned, and in recent years has developed important general trading interests in Africa which have produced only contact, to date, with the motor industry. Through a number of subsidiaries, Lonrho is one of the largest distributors of Peugeot, Mercedes, British Leyland and Toyota cars in Africa.

Dr. Wankel, the engine's inventor, who is now 63, had been looking for a buyer for his private company, which holds rights to 40 per cent. of the Wankel royalties, anyway. At one stage, General Motors, which has taken out a licence to develop the Wankel, was interested in buying it.

Andi-NSU, the Volkswagen subsidiary, which holds the rights to the other 60 per cent. of the royalties, was the most obvious buyer. Instead, to the surprise of most of the automotive world, Lonrho bought Wankel.

The Wankel engine was first conceived in 1938 in Dr. Wankel's own small research



The NSU Ro80: output has reached 7,500 a year.

Unreliable

So it was as a car engine that the Wankel first emerged in 1964, powering the NSU Spyder sports car. The car was not a success: the technical problems which had been solved under laboratory conditions recurred in the field, and the Spyder proved to be a most unreliable vehicle.

This did not, however, dissuade Toyo Kogyo, the Japanese carmaker, from joining NSU with a rotary engined car, the Mazda R100. In 1968, NSU replaced the Spyder with the attractive Ro 80, a luxury saloon car with a rotary engine which it hoped would establish it as a rival to Mercedes-Benz and BMW in the German luxury car business.

Unfortunately, the technical problems of this novel engine had still not been solved and the high warranty claims and repair costs on Ro 80s were probably a contributory factor in NSU's worsened financial situation, which led to the Volkswagen take-over. The rotary engine, as its name implies, consists of a triangular rotor spinning in an oval chamber in place of

the reciprocating pistons of a redesigning the seals and by substituting a single spark plug for the twin plugs of early prototypes.

Fuel economy

The Wankel is not yet a very efficient engine. Because of durability problems, its rotational speed has to be limited to approximately that of a conventional piston engine, whereas in principle it could rotate much faster. A lot of the fuel escapes unburnt into the exhaust pipes, creating pollution problems and reducing fuel economy.

Early owners became accustomed to requiring new seals after only about 10,000 miles. Because the Wankel engine required new skills which the average garage repairman could not be expected to possess, NSU part-exchanged most of the engines which gave trouble. But this involved it in heavy expense. Many of the initial troubles have been cured by

current U.S. pollution tests, but only with difficulty, because of the high carbon monoxide content in its exhaust.

A rotary engine, however, does have enormous advantages over a piston engine. Drivers always comment on the remarkable smoothness and absence of vibration of the Ro 80 or R 100, which make them a delightfully restful transport. The Wankel is also very compact and light. The Mercedes-Benz experimental four-rotor Wankel engine in the C111 research car produces 350 b.h.p. for a weight of under 400 lbs. whilst one of the best conventional engines, the Jaguar Vee-12, produces 280 b.h.p. at a weight of 680 lbs.

A large Wankel occupies only a third of the space of a large American engine of comparable power, and contains fewer than half as many moving parts.

Many of the Wankel's

apparent disadvantages may be eliminated in future. Certainly motor manufacturers are taking a much more serious interest in the engine and many have taken out licences in the past two or three years. General Motors, a company not usually known for its engineering progressiveness, agreed to pay \$50m. over five years for the rights to develop the Wankel. GM is interested in the possibility of relatively automated production of the rotary engine for future small cars. Because of its comparative simplicity, much of the rotary engine could be made on automated lines and its assembly time is at least a third shorter than that of the simplest four-cylinder engine.

Prototypes

It is rumoured that GM's Chevrolet division may produce a small rotary engined car in two or three years' time. If so, this would set a seal of approval on the Wankel which no major manufacturer has yet placed upon it. Most of the large European companies such as Fiat, Renault, Volkswagen and British Leyland still entertain considerable reservations over the Wankel, both on grounds of durability and on the difficulty of meeting the precise manufacturing tolerances that it requires.

Daimler-Benz has been experimenting with Wankel engines for ten years and running its prototype C111 on the roads for three. Significantly, it introduced a new 3.5 litre V8 piston engine last year and it is likely to launch the C111 as a production car—but with a conventional piston engine. Mercedes

chief passenger car designer, the widely respected Rudolf Uhlenbaut, still doubts that the Wankel is ready for full scale production. It is fine when running steadily on a test track but when driven through the stop-start conditions of typical town traffic it still presents problems.

Many competitive manufacturers are waiting to see when Mercedes, which has a big development team working on the Wankel, satisfies itself that the problems are solved. British Leyland, for instance, has been test running Ro 80s and Mazdas and is sometimes cited as a probable future Wankel licensee. As yet, the company has no plans to produce a Wankel-engined car, although it might take out a licence to keep its engineers in touch with progress on the Wankel.

Other companies view the engine more favourably. Citroen will produce a Wankel-engined medium car in two years' time and is already running 50 prototypes under normal driving conditions. Nissan has taken out a licence on which it will pay from 3.5 per cent. to 5 per cent royalty on sales.

Rolls-Royce has a licence for a rotary diesel engine for military purposes, and amongst the other companies interested enough to pay for licences are Japan's Yamaha Diesel—for use in motorcycles, aircraft and cars—MAN, Alfa Romeo and Porsche. Outboard Marine, the company which markets Johnson and Evinrude outboards, has a licence for marine Wankels. Interest at the research level, therefore, is considerable, though many of the agreements like GM's can be terminated at

12 months' notice. The problem of the Wankel's high pollution level can be solved fairly easily by fitting a chamber to its exhaust system, to allow further combustion. With this attachment, the Wankel stands a greater chance of passing the tough 1975 U.S. emission control requirements than most conventional engines.

The Wankel has certainly come of age. NSU now builds 7,500 Ro 80s a year, whilst Toyo Kogyo's annual output of rotary engined cars now exceeds 100,000 a year. Yet opinions are still sharply divided as to its future role in automotive transport. At one extreme the chief engineer of Volvo, Rolf Melde, maintains that it will suffice from the same reliability and durability problems as the two stroke engine, and play no greater part in car design. A the other extreme, Dr. Froed of NSU feels that it will gradually replace conventional engines for cars, outboard motors and eventually even light aircraft.

Uncertainty

With such uncertainty as the Wankel's prospects an Audi-NSU's apparent lack of interest in buying out Dr. Wankel's company, Lonrho investment in the Wankel must look as speculative as many mining ventures. If the enthusiasts are right, Lonrho may have bought another goldmine but much will depend on whether enough companies start to manufacture Wankel cars before the patents expire in a few years' time.

Labour News

Scanlon snub for Rolls-Royce (1971)

BY ROY ROGERS, LABOUR STAFF

MR. HUGH SCANLON, president of the Amalgamated Union of Engineering Workers, yesterday upheld the decision of the union's Coventry district committee not to negotiate alternative pay structures for men formerly covered by the Coventry tool room agreement.

In York yesterday, Mr. Scanlon refused to discuss a reference from Rolls-Royce (1971) as far as it applied to 700 men formerly covered by the agreement. Negotiations did go ahead, however, for a further 13,000 Rolls-Royce workers although there a failure to agree was registered.

Rolls-Royce, which is trying to negotiate a new payment system for some 2,000 manual workers in its Bristol Engines plant in Coventry, took the reference to York—the final stage in the industry's procedure because the AUEW refused to attend either a works or local conference.

Rolls-Royce is the first to fall foul of the AUEW's policy which demands from the employers' decision to terminate what they termed an "inflationary and irrelevant" agreement. Alvis, which is also keen to discuss a new pay structure for its indirect workers, may well be the next in line.

Set up initially as a war-time emergency measure, the tool-room

agreement allows for monthly adjustment of pay rates so that earnings keep pace with those of pieceworkers.

Since the employers gave notice of their intention to terminate the agreement this month, the 8,000 men covered by the agreement have been working to rule and banning overtime. They have also decided on a 50p-a-week levy to raise a fighting fund for members against possible disciplinary action by employers.

Currently, AUEW convenors are seeking the men's views on how the sanctions should be stepped up. The various alternatives, including selective strike action, will be considered by the convenors next week.

9% RISE FOR 4,000 P.O. OFFICERS

A settlement giving 4,000 Post Office executive officers average increases of 9 per cent. has been agreed between the Post Office and the Society of Civil Servants.

Payable from January 1, 1971, the deal gives a new salary scale of £855-£2,026, compared with the previous one of £761-£1,871. It covers junior management grades in telephone managers' offices, regional headquarters and at national Post Office head-quarters.

3,000 Cowley workers accept pay deal

BY ROY ROGERS, LABOUR STAFF

A MASS MEETING of 3,000 ancillary workers at British Leyland's Austin-Morris car assembly plant at Cowley, Oxford, yesterday went against the recommendations of their shop stewards and accepted management's pay proposals.

The deal, backdated to May 29, takes the rate for a top-skilled man from £38.50 to £40.50 for 40 hours, while the lowest grade goes up from £29.20 to £31.30. Existing bonus arrangements remain unchanged and the management has agreed "progressively to reduce and eliminate" the differential between the top

grades and the £42-a-week earned by production workers, in subsequent wage reviews.

Although national union officers had recommended acceptance of the new offer, shop stewards opposed it because of a clause relating to the acceptance of modern industrial techniques and the introduction of new working methods.

Meanwhile, at Triumph Motors, Coventry, where sanctions imposed by 90 internal drivers involved in a manning dispute have caused extensive lay-offs, management hopes to be able to recall the remaining 1,500 workers on Monday.

Courtaulds' dismissals probe by committee

MR. ROBERT CARR, Secretary for Employment, is to set up a committee of investigation into a dispute at Courtaulds' textile factory in Spennymoor, Teesside (Durham), over the dismissal of 130 workers.

The men—in supervisory jobs at the factory—were made redundant after an official strike in protest over the dismissal of a

Special U.S. report says U.K. well-placed for reflation

BY GUY DE JONQUIERES

BRITAIN IS well-placed to take action to reflate its economy without risking a deterioration of its balance of payments position, according to Dr. Arthur Burns, chairman of the U.S. Federal Reserve Board.

Dr. Burns made this judgment in a special report submitted to the Congressional joint economic committee this week. The report, which deals with Government price and wage policy in Europe and other countries, was intended to be confidential, but some copies have leaked out to the Press.

Two lessons

Dr. Burns said that recent steps by the British Government and the undertaking of the CBI to limit price increases had brought improved prospects of slowing wage inflation. Noting the inflationary measures contained in the Chancellor of the Exchequer's recent mini-Budget,

Dr. Burns said: "There are two lessons to be learned from the recent behaviour of the British economy."

"The first is, in essence, that slow growth and rising unemployment can go hand in hand for a prolonged period with excessive wage increases and price inflation."

"The second is that, where inflationary pressures are essentially cost-push in character, fiscal and monetary policy alone may not be able either to prevent the phenomenon of lagging growth with inflation or to rectify it once it has emerged. In such circumstances, an incomes policy could prove helpful."

Dr. Burns, a leading proponent of an incomes policy in the U.S., added: "The British Government has now drawn this inference, as is indicated by the warm welcome that it accorded to a plan by the Confederation of British Industry to impose an unofficial, but hopefully effective, 5 per cent. ceiling on price increases in the next 12 months."

WASHINGTON, August 13.

Dr. Burns suggested that the efforts under way to control inflation in the U.K. now made an expansionary economic policy easier.

"From the standpoint of the British balance of payments, this is an opportune time to take inflationary action," he said.

Noting the "substantial" surplus on current account in the first half of this year, he added: "It would thus appear that there is considerable room for domestic expansion without risk to Britain's external financial position."

Dr. Burns outlined recent economic indicators and noted particularly that "the gravity of the unemployment situation was made particularly clear last Friday, with the release of the unemployment figures for July. . . . The need to reduce the rate of inflation has become equally clear."

Home loans establish new record in July

BY JOHN HUNT

THERE IS now an "insatiable" demand for mortgages, and building society loans to buy houses in July reached an all-time record, spokesman for the Building Societies Association announced yesterday.

At the same time the latest figures show that deposits with the building societies are continuing to rise at near record levels.

The Association spokesman said: "A lot of us have been surprised about the mortgage demand, including myself. We would never have imagined that demand of these dimensions could come about."

The total lent to borrowers in July was £260m., compared with £237m. in June and £235m. in May. Total loans by the societies are predicted to reach £2,500m. this year compared with £1,880m. last. At the end of July they

were committed to lend £745m. for the three months to the end of October.

In July deposits totalled £185m. against £183m. in June, £132m. in May and £130m. in April. The all-time monthly record was last December, when £206m. was deposited.

However, much of the mortgage money has been absorbed by higher house prices which, in some areas, are rising at the rate of 10 per cent. a year.

Despite the strong flow of funds to the societies, the Association says there is no likelihood of a reduction in the 8½ per cent. mortgage interest rate while mortgage demand remains so high.

We are not prepared to turn off the investment tap by putting down the rate while there is the high demand for our services by the borrower," said a spokesman.

Clarksons plan criticised by Horizon Travel

BY JOHN HUNT

THE PROPOSAL by Clarksons Holidays that the travel industry should set up an authority to enforce standards came under attack from a leading tour operator yesterday and met with a lukewarm reception from some others.

Mr. V. G. Ratz, chairman of Horizon Travel, commented: "It's complete red herring. I would certainly be prepared to oppose it. The industry generally is perfectly capable of looking after itself."

He pointed out that most tour companies receive only a small number of serious complaints, and were able to deal with them effectively on an individual basis.

On Thursday, Mr. Tom Gullick, Clarksons' managing director, had announced that his company was introducing an independent arbitration scheme for dissatisfied

customers and hoped that other operators would follow suit.

But Mr. Ratz argued that such a scheme might "allow a person legal right to sue a company. We commented: "We haven't needed it so far."

At Cosmos Tours a spokesman was cautious on the question of a Tour Operators Standards Authority, but said: "I think the industry as a whole will be prepared to discuss it."

Cosmos had not felt the need for an arbitration scheme, he said, and added: "If large numbers of our clients were complaining, then I suppose there might be some pressure upon us to appoint an arbitrator. We don't feel that pressure."

The managing director of Thomson Travel, Mr. Bryan

Llewellyn, intends to comment on the proposals next Thursday when he announces his company's new tour programme.

The Association of British Travel Agents had intended to make a statement yesterday, but changed its mind. An official statement may be forthcoming next week.

ABTA has been considering the question of arbitration for some time, and it is felt that there is a chance of the idea being adopted. But the proposal for a standards authority stands far less chance of adoption.

Some tour operators feel that the sanctions already possessed by the association are strong enough and that it is more a question of stricter enforcement than of setting up an entirely new body.

The association has power to recommend, or to impose a fine up to £10,000 or to expel a member.

Car parts: 10,000 on short time

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

OVER 10,000 workers in key plants in the motor components industry are now estimated to be on short-time, following a decision by Joseph Lucas to place a further 1,000 employees on a four-day week.

Lucas will have a total of 3,700 on short-time next week, 1,800 at its Leamington and, on a more limited scale, within Dunlop and some Guest Keen and Nettlefolds factories in the West Midlands.

COMPANY NEWS + COMMENT

Letraset profit growth: pays 14%

A SUBSTANTIAL increase in earnings coupled with continued interest in the current year, shows the Board of Letraset to propose an increase in the total dividend from 10 per cent to 14 per cent for the year to April 30, 1971. The final is 9 per cent (5 per cent).

Pre-tax profits increased from £22,871 in £47,280 following the year to £133,163 (£121,145) at half-year.

1970-71 1969-70

£'000	£'000
Profits before tax	53,133.62
Less tax	11,430
Tax (qualifications)	13,964
Overplus to provision	89,114
Net profit	133,163

£'000

Acquisitions during the year accounted for less than 7 per cent of profits.

From May 1, 1970, graphics products supplied by the parent company to overseas subsidiaries were no longer treated as previously they were purchased by those companies acting as principals. This change has no effect on the profits for that period but results in a reduction of £27,500 in the tax charge for the year.

A tax equalisation account has been created at May 1, 1970. The amount in the equalising year in a comparable basis would have approximated to £5,500.

See Lex

Downing outlines prospects

TURRENT-year prospects of G. H. Downing and Co. are covered by chairman Mr. D. S. Hartley as three separate divisions.

The trading and distribution division started reasonably well but the improvement so far has been limited mainly to the private house sectors. The months ahead are viewed with only cautious optimism.

Refractories outlook is not so good. Unless demand from the steel industry improves in the next few months results from this division cannot be expected to be as good as those for the past year.

The electrical and engineering subsidiary again got off to a good start and a satisfactory year is expected.

As reported, group pre-tax profit for the year to March 31, 1971, was £430,649 (£373,741) and net dividend 19 (18) per cent.

A breakdown of turnover £3,400,000 against £3,582,000 and trading profits shows products for the building industry £2,648,000 (£2,599,000) and £290,522 (£29,522); refractories £382,000 (£61,000) and £103,804 (£84,944) and electrical goods, etc., £34,000 (£37,000) and £33,230 (£25,392).

Mr. J. R. W. Hollinshead has decided to retire from the Board, having reached 70 years.

Meeting, Stoke-on-Trent, September 8, noon.

Comment

After the sharp setback last year Brittains' shareholders must be somewhat disappointed by the 12 per cent fall in first half pre-tax profits. What is more the picture would have been far worse had it not been for the first time contribution from Kennacon. The problem is that paper sales confined to the UK business where a shortage of UK business has forced Brittains to seek less profitable export orders to keep the mills rolling. The prospect of any immediate recovery appears to depend on the effects of recent refractionary measures. Pending this there seems little to go for in the short-term—although there are high hopes of Brittains-Riegel, producing laminate glass, and the shares on a fully diluted p/e of 11½ at 34p, for the past 12 months trading are looking vulnerable.

Big fall on Brittains paper side

REFLECTING the inclusion of Kennacon Construction for the first time Brittains engineering division shows a big increase in the first half of 1971, almost offsetting a sharp fall in the paper side. The group trading profit emerges at £16,533 compared with £12,722.

An unchanged interim dividend of 5½ per cent is declared—total for 1970 was 11 per cent from trading profits of £363,459.

After interest charges first half pre-tax profit was £160,115 (£160,722 and £321,459 for 1970).

Commenting on the paper-film division—trading profits were £77,288 (£66,066)—the director explains that the group supplies raw materials to various UK industries, many of which have experienced trading setbacks; the paper side has inevitably suffered from lack of business. Results of the recently acquired film companies are on target.

The engineering side showed a profit of £183,232 (£3,056) including £14,000 from Kennacon. Because of the means of assessing profit on contracts, Kennacon's performance will tend to fluctuate; currently it is well on target with a large work balance in hand, the directors report.

On prospects they say that better cost containment has been achieved in most group sections and main papermaking and converting activities are well geared to meet increased demands.

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At December 31, Mrs. A. Ford held 493,713 shares and Courtalds 260,300.

As reported August 4, there is no dividend—Preference is in arrears from July 1, 1969. Meeting, Liverpool, September 3, at 11.30 am.

Patent Industrial downturn

FOLLOWING the expectation in March that pre-tax profits for the current year could be at least 10 per cent up, the Patent Industrial Group reports profits down from £38,000 to £45,000 in the first half to June 26, 1971.

The interim dividend is 2 per cent—in the year to January 2, 1971, the payment was a single 4½ per cent. interim. Pre-tax profit in that year were £157,436.

The results in themselves are very satisfactory but according to information so far received, the future is not so rosy.

In view of the situation and the impossibility of making any reasonable forecast the directors have declared that finances must be conserved at least until such time as being made can be brought

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affected by the downturn in their industry.

The order intake of the largest of these companies, mainly engaged in the manufacture of tools, fell by 20 per cent in the second quarter and this together with certain amounts of labour unrest had a marked influence on the level of activity within that company and its profitability during the six months fell by about a half.

Improved results during the remainder of the year will very much depend on how soon the engineering markets respond to the recent refractionary measures.

Re-organisation of the combined companies into seven functional divisions has now been completed, with corresponding decentralisation of administration and rationalisation of production. Certain capital projects in hand have yet to be completed in order to cater for the growth of business now being experienced.

In particular the factories at Haringey, Gosport and Southampton are being enlarged and the Belgian subsidiary has so outgrown the capacity of its present premises that a 6-acre factory complex on the outskirts of Brussels has been acquired. This provides a port of embarkation for Europe for all Spreckley divisions and an on-the-spot service for Spreckley clients expanding on to the Continent.

The company is engaged in specialist contracting in electrical, plumbing, air conditioning, etc.

For 1970 a group loss of £97,919 (£212,562) was reported. The chairman says that the optimism he expressed last year proved premature in that the year saw a continuing spiral in overall costs.

The group embarked on a big cost pruning programme, but despite this, a continuing decline in retail prices together with the heavy cost of switching over half of sales to an entirely new distribution channel, resulted in the losses.

Mr. Bainbridge says that the success last year in increasing sales of branded merchandise has now enabled BB to get out of the "suicide end" of the trade where competitors' marginal production is dumped almost regardless of cost.

The group is presently manufacturing at a volume reduced by 30 per cent with a labour force cut by 50 per cent.

In knitwear the group is re-styling in accordance with current market demands and overheads are being severely cut to increase competitiveness. However, as the refractionary division provides better opportunities for future profits, the majority of resources are being concentrated here.

The chairman tells members that the company is approaching a position where it will be able to make profits in the hosiery market given no further erosion of prices.

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New Sylhet halves dividend

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to market and some regular revenue is forthcoming.

Undoubtedly considerable expenditure will be required to re-establish the factory and the estate, they add.

Spreckley well on target

GROUP PRE-TAX profit of Charles Spreckley Industries increased to £467,863 for the year to March 31, 1971. This compares with a forecast of not less than £450,000 including Sage-CDO for six months. The figure for the previous year was £247,706.

The final dividend is 12 per cent; the minimum forecasted, making with the interim on smaller capital, 24 per cent.

Orders in hand due to be executed within the current year together with sales already completed amount to £5m. Sales should be well in excess of those achieved in 1970-71 by the various companies now comprised in the group, the directors state.

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Letraset



Mr. J. C. C. Davies, chairman of Letraset.

DIVIDENDS ANNOUNCED

Company	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Brittains	Int.	Sept. 30	54	—	11
Fuller Smith and Turner	8	—	—	19	8
Highland Tea of Ceylon Int.	2	—	3	12	10
Letraset	9	—	5	14	10
Liverpool Daily Post	2.6p	Sept. 30	2.6p	—	4.8p
New Sylhet	10	—	15	10	20
Nordic Shoe	Int.	8	—	—	—
Patent Industrial	Int.	2	Sept. 30	43	44
Charles Spreckley	(b) 12	—	—	24	—
A. J. Worthington	11	—	6	15	9

COMPANY NEWS

Allnatt Properties to maintain growth

CHAIRMAN of Allnatt London Properties, Mr. R. W. Diggens says his view of the company's prospects, based on what he regards as cautious optimism, is that progress should continue at about the 1970-71 rate during the current year, "and improve if the right political decisions are taken."

The chairman says the Board looks forward to a decision by Parliament that will take Great Britain into the Common Market. "The future is now," he writes, "with joining the European community and working for success as part of it," says Mr. Diggens.

Allnatt will require further permanent capital before long, and is in touch with its advisers as to the best course to be followed. The company has uncharged properties, mostly new buildings erected since the previous borrowing in 1968, and let on satisfactory terms which will provide full security for further debtors.

As reported on July 21, pre-tax profits for the year to March 31, 1971, rose from £1.24m. to £1.31m.

Payment of the dividend of 15 per cent (up 1 per cent) would cost £750,000. After waiver, the total payment will be £535,016. The chairman points out that the existing agreement for waiver between the company and himself ends with this year's dividend. Amounts to be received must be accumulated as has been done, in order to produce larger retentions by the company during its early years in the face of repressive taxation on companies and shareholders.

At a time when important changes in company taxation are known to be under consideration, it should not be assumed that further waivers will be made, he adds.

A professional valuation of all the company's interest in land and buildings has not been made. The directors are of the opinion that the current market value of all the company's properties exceeds £100,000,000, and are unable to place a precise figure on the excess.

The interim dividend is effectively maintained at 20 per cent of share. The 1970 total was equal to 8.6p paid from pre-tax profits of £2.86m.

carried out. When this is completed payment of final dividend will be considered, the directors state.

An unchanged interim dividend of 10 per cent has already been paid—the 1969-70 total was 50 per cent.

Liverpool Post first half setback

GROUP PRE-TAX profit of Liverpool Daily Post and Echo decreased from £1,335,000 to £1,170,000 for the half year to June 26, 1971.

As anticipated, the lack of buoyancy in the national economy and the full weight of earlier inflation, topped off by the postal strike, hit profit in virtually all the company's businesses.

While the much smaller Canadian newspaper subsidiary produced a "markedly improved" profit, the U.K. dailies and weeklies were unable, due partly to the prevailing unemployment levels on Merseyside, to improve revenues quickly enough to match costs.

The printing companies were severely hit by the postal dispute which brought a virtual standstill to certain sections of the business until late in the half year.

Improvements in efficiency were achieved in papermaking and packaging but the benefits in the period were limited by business levels.

The second half-year is expected to be better. Complete recovery and renewed advance rests, however, on effective stimulation of the national economy, the directors state.

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See Lex

Dalgety N.Z. pays 10%

On a turnover up £5m. to £224m. group net tax profit of Dalgety New Zealand for the year ended June 30, 1971, excluding minority interest, was £1,753,517, against £1,856,704.

This result represents a return on average holders' funds of 8.1 per cent, the directors state.

The final dividend is 10 per cent, marking 10 per cent forecast in the prospectus. Subscribers to the November issue will receive half of the 6 per cent. final. The year's dividend is covered 1.64 times. It is stated.

Development of the new ventures outlined in the prospectus has proceeded as planned.

D. F. Bevan setback

National merchants, etc., D. F. Bevan (Holdings) reports a contraction in group pre-tax profit from £106,831 to £61,633 for the year to March 31, 1971, struck this time, after loan interest of £37,623. At the half way stage profit was £54,297 (£21,357).

As known, Axicast has ceased to trade with a resultant loss, not deducted from the profit and not expected to exceed £45,000.

An investigation into the final accounts of Axicast is being

The company is controlled by the London-based Dalgety which owns 76 per cent of the capital.

Mining Supplies' progress

CURRENTLY the directors of Mining Supplies are heavily involved in development, which should auger well for the future, says chairman, Mr. A. Snipe.

New factory extensions of 21,000 square feet are completed and in phase into production in the forge division and the mining division. Also new factory buildings of 50,000 square feet are in the course of construction and scheduled for completion by the end of 1971. This will then allow for further expansion and diversification, also placing the group in a more competitive position for existing products.

Turnover to date is showing a steady increase. Export sales are expected to improve as marketing recently developed mining products, the chairman adds.

Mechforge recently started sales in marketing in Scandinavia and prospects here look favourable. The profit from Mechforge for the past 52 weeks increased to £42,000 (£74,000), and the percentage of total turnover from this division is approximately 21 per cent.

As reported, group pre-tax profit for the year to May 1, 1971, increased to £42,671 (£274,132), the dividend is 5p (5p) and a two-for-one of 10p (10p) given.

A further £20,000 is outstanding from the sale of Denby property and will be credited to profit and loss account when received.

Meeting, Doncaster, September 9, noon.

Fuller Smith & Turner

Fuller Smith and Turner, the Chiswick brewers, is raising its dividend from 16 per cent. to 19 per cent. for 1970, with a final of 9 per cent.

Net profit came to £208,531, against £191,365, after tax of £167,976 (£175,571).

See Lex

F & C MANAGEMENT

The Boards of F. and C. Management (the Foreign and Colonial Group) and G.I.T. Management Services (the General Investors Corp) announce that the merger of the two companies was completed yesterday. The business of the combined group will be carried on from Winchester House, E.C.2.

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F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh.

EQUITY GROUPS GROUPS & SUB-SECTIONS		Friday, August 13, 1971		Thurs., Aug. 12		Wed., Aug. 11		Tues., Aug. 10		Monday, Aug. 9		Year ago (approx.)		Highs and Lows Index	
		Index No.	Day's Change %	With 40% Cor. poration Tax	Div. Yield %	Index No.	Index No.	Index No.	Index No.	1971	Since compilation	High	Low	High	Low
1 CAPITAL GOODS GROUP (184)	156.08 +0.7	6.04	16.66	3.81	154.88	169.97	151.60	162.55	117.43	158.52	104.05	181.50	82.82		
2 Aircraft and Components (3)	116.32 +0.8	7.04	14.21	3.56	113.71	111.54	107.88	105.75	99.30	120.50	87.50	120.50	82.82		
3 Building Materials (29)	158.69 +1.4	4.98	20.06	5.40	154.47	158.10	150.61	151.50	99.80	157.97	98.50	157.96	86.01		
4 Contracting and Construction (19)	238.36 +0.6	6.78	17.29	9.68	235.30	231.52	231.84	231.98	193.54	236.36	182.50	236.36	84.89		
5 Electr. (ex. Electr. Rad. & TV) (13)	274.11 -1.3	5.10	19.61	3.00	270.66	265.95	285.16	264.49	193.29	263.44	174.23	263.11	84.71		
6 Engineering (80)	145.33 -0.3	6.50	15.16	4.29	145.70	144.58	143.44	144.37	113.56	148.38	102.56	148.38	82.82		
7 Machine Tools (15)	72.75	13.80	5.95	6.74	72.06	66.70	67.74	65.39	58.50	65.38	53.78	65.38	43.86		
8 Miscellaneous (25)	189.88 -1.0	7.89	12.68	4.44	196.54	197.27	196.41	197.97	134.65	194.12	144.97	194.12	62.01		
9 CONSUMER GOODS (DURABLE) GROUP (56)	171.83 +0.9	5.14	19.47	5.02	170.31	168.40	165.95	168.03	128.31	173.85	117.53	197.97	79.95		
10 Electronics, Radio and TV (14)	121.04 +0.4	6.69	17.88	8.42	120.35	121.19	176.90	178.69	149.30	120.35	121.51	159.58	71.00		
11 Household Goods (15)	267.26 -0.2	6.18	12.16	6.54	165.78	182.75	180.83	180.94	123.19	182.00	116.28	182.00	86.66		
12 Motors and Distributors (27)	118.32 +1.6	4.23	23.32	5.60	116.56	115.66	115.48	114.86	86.76	125.85	76.81	125.85	84.89		
13 CONSUMER GOODS (NON-DURABLE) GROUP (175)	165.04 +1.6	8.61	12.16	6.74	120.55	159.06	158.44	123.23	164.58	112.17	154.68	83.71			
14 Breweries (21)	188.52 +4.8	8.88	13.37	3.12	181.00	180.06	178.12	176.40	115.76	181.00	104.81	181.00	84.89		
15 Wines and Spirits (7)	176.22 +3.6	5.99	16.89	3.97	170.12	169.50	166.36	170.86	140.21	170.00	104.81	170.00	84.89		
16 Entertainment and Catering (15)	204.73 +1.9	6.99	14.51	3.78	200.99	198.28	195.21	196.22	166.46	214.39	177.99	213.59	82.11		
17 Food Manufacturing (34)	143.88 +0.2	5.60	17.86	5.72	143.61	143.12	162.73	140.16	103.55	143.88	102.50	143.88	84.89		
18 Food Retailing (17)	142.61 +1.2	6.28	18.89	3.54	140.96	137.28	100.36	137.82	98.57	142.61	100.23	142.61	94.52		
19 Newspapers and Publishing (15)	141.42 +0.5	6.07	16.47	0.02	140.74	139.22	137.44	137.54	106.52	142.61	101.06	142.61	84.89		
20 Packaging and Paper (16)	118.56 +1.0	8.63	16.09	4.45	116.45	114.48	113.38	113.75	102.65	120.10	88.81	120.10	82.11		
21 Stores (30)	154.21 +0.8	4.41	22.67	3.02	152.93	150.77	148.97	150.96	89.75	152.93	120.50	152.93	82.11		
22 Textiles (21)	175.68 +0.5	5.70	17.56	5.20	172.18	170.88	170.81	170.54	130.65	177.77	137.81	177.77	82.90		
23 Tobacco (3)	242.09 +0.1	8.80	11.67	6.49	241.85	238.77	235.62	235.35	197.68	242.09	180.20	242.09	82.90		
24 Toys and Games (6)	46.49 +0.8	—	—	6.15	49.10	48.87	48.05	48.66	53.70	69.03	45.48	69.03	45.48		
25 OTHER GROUPS															
26 Chemicals (19)	191.70 +0.3	5.26	18.03	3.44	181.08	188.22	184.01	185.07	135.87	193.38	138.18	201.82	85.28		
27 Office Equipment (10)	196.70 +0.2	6.56	28.13	1.52	196.29	183.77	189.84	191.06	127.65	212.06	163.59	212.06	108.12		
28 Shipping (10)	350.32 +0.6	7.36	13.59	6.15	318.44	318.88	314.78	316.08	313.10	328.76	268.97	355.44	90.80		
29 Miscellaneous (unclassified) (44)	184.08 +0.8	5.84	17.14	3.74	189.90	181.81	178.47	181.42	128.44	193.32	158.35	193.32	75.53		
30 INDUSTRIAL GROUP (498 SHARES)	168.89 +1.0	5.54	18.08	3.59	167.26	165.28	163.06	164.65	—	170.06	162.61	170.06	120.61		
31 OIL (2)	256.48 —	5.65	17.61	6.51	156.48	251.51	248.65	249.95	228.21	256.50	260.74	241.66	87.23		
32 500 SHARE INDEX	184.82 +0.8	5.56	17.28	3.58	183.28	181.02	178.77	180.24	163.56	187.27	162.45	187.27	84.89		
33 FINANCIAL GROUP (121)	176.56 +0.7	—	—	2.76	179.18	168.83	167.82	168.57	110.19	175.44	119.73	175.44	69.39		
34 Banks (6)	186.51 +0.5	7.40	13.69	2.78	185.34	182.18	179.63	180.84	102.78	186.51	120.50	186.51	69.43		
35 Discount Houses (6)	174.07 —	—	—	—	174.07	173.85	172.18	170.96	118.85	176.87	130.78	176.87	67.65		
36 Hire Purchases (6)	260.17 +1.2	4.81	20.78	9.94	267.25	250.20	247.88	248.24	166.65	266.59	202.97	266.59	80.08		
37 Insurance (Life) (8)	153.71 +1.8	—	—	—	150.94	143.05	138.96	141.44	116.57	153.71	123.16	153.71	51.30		
38 Insurance (Composite) (9)	132.62 -1.0	—	—	—	132.62	131.61	127.08	132.72	80.15	132.62	89.80	132.62	54.40		
39 Insurance (Brokers) (10)	174.00 -0.7	5.04	19.85	9.50	179.72	171.87	172.02	179.76	101.87	172.00	112.27	172.00	59.59		
40 Investment Trusts (20)	197.51 +1.5	9.88	34.70	2.68	194.49	191.10	189.62	191.13	141.64	197.51	142.16	197.51	80.64		
41 Merchant Banks, Issuing Houses (15)	170.71 +0.8	2.64	37.90	9.18	217.15	214.93	212.85	211.66	138.58	125.94	162.46	125.94	66.01		
42 Property (31)	219.94 +1.3														

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

CANADIANS

BUILDING INDUSTRY—Continued

DRAPERY AND STORES—Continued

ENGINEERING AND METAL—Gen. Cont.

HOTELS AND CATERERS—Continued

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

in-cre-

imp-ri-

p. p.

High Low

"Shorts" (Lives up to Five Years)

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

in-cre-

imp-ri-

p. p.

High Low

Five in Fifteen Years

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

Over Fifteen Years

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

INTERNATIONAL BANK

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

BANKS AND HIRE PURCHASE

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

S.E. List Premium 23½% (based on £24.196 per £1)

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

UNITED KINGDOM

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

HIRE PURCHASE, ETC.

1971

Stock

Gross Yield per

1971

Stock

Closing

Price

+ or -

The Financial Times Saturday August 14 1971

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Hampton & Sons
01-236 7831

MAN OF THE WEEK**He built up from nothing**

BY MALCOLM RUTHERFORD

DR. Herbert Culmann, the chairman of Lufthansa, clearly does not like being pushed around. Yet his distinguished people and institutions who try to tell him what to do comes out in a remarkably quiet spoken way.

Dr. Culmann appears to feel no great embarrassment that it was Lufthansa alone which this week voted against the IATA's proposals for cheaper Atlantic airfares—and no great sense of defiance either. Just about his most critical remark in the course of an interview was that he felt BOAC had prejudiced the IATA talks by announcing its own plans in advance.

Yet once BOAC and the big American carriers had agreed, some of the smaller lines had little choice but to go along.

Humble start

Lufthansa, however, is large enough to stand up and be counted on its own, so much so that its recent bumble origin may be forgotten. The company only started in 1955 with a total of four aircraft flying between Hamburg and Munich; the idea was for a public issue of shares, but hardly anyone showed any interest and the Government was obliged to step in as shareholder much more than was intended. To-day, Lufthansa is by most reckonings Number 4 or 5 in the international carrier league after Pan Am, TWA, BOAC and more or less level with Air France.

Dr. Culmann, a wartime pilot and now 50, arrived early. After the war, he took his doctorate in law and was in the legal department when the new Lufthansa was founded. He reached the very small management board in 1964, and in June last year became chairman. He still pilots his own privately-owned Cessna, though, as he says, all too seldom.

Nonetheless, an IRA chief appeared at a Press conference in St Peter's Boys' School, Whiteock, Belfast, answering questions were Mr. Joe Cahill, chief of the Provisonalists in Belfast, with Mr. Paddy Kennedy, Republican Labour MP, and some local Labour councillors. Mr. John Kelly, former chairman of the Belfast Citizens' Defence Committee, a man whom the police are eager to interview, was also in command.

"What is apparent is that no further attempt by us to deal constructively with the present Dublin Government is possible."

He went on: "Mr. Lynch now clearly commits himself and his Government to support by

two bad been killed." It was

obviously, with the company starting static and the compensation so well established, the question of peace was difficult.

Lufthansa has frequently turned in nothing at all, but in both 1969 and 1970 it made between DM12 and DM13m. net.

There is a very strong likelihood that in 1971 it will be back in the red, and that is the reason for the company's behaviour at IATA.

Dr. Culmann reckons that Lufthansa will lose about DM50m. on its North Atlantic operations this year. The IATA proposals, if accepted, would cost the company an additional DM25m. loss in 1972. But if Lufthansa sticks to its own proposals—and all that is needed now is the formal approval of the German Government—the losses will be substantially reduced, though not eliminated altogether.

Difference

One of the differences between Lufthansa and some other airlines, he says, is that it does not do things for prestige. Yet he admits he cannot go all the way. It would be absurd to claim to be an international carrier and yet not the North Atlantic route entirely. The company is running some flights, but for the rest it just has to try and keep the losses as low as possible.

He has had experience of standing up to pressure before. A few years ago Dr. Schiller, the Economics Minister, tried to insist that Lufthansa place firm options for the European Airbus. Dr. Culmann would have none of it, and the Franco-German airbus is only being built today because the two old planes and finally went to Lufthansa and Air France to ask them what sort of plane they wanted.

On the whole, however, Lufthansa's qualities which Dr. Culmann has done much to foster, are probably those of the early German economic miracle: the build-up from nothing, the efficiency and high productivity, and the absence of labour disputes. Those qualities are looking a bit tarnished in the Germany of today, and in time it may be the same for Lufthansa. Early this year the company had its first ever strike, which is another reason why Dr. Culmann is worried about the 1972 profits.

THE LEX COLUMN**Cavenham and the investing public**

The bullish aspect of this week's 17 point rise in the index, on distinctly lower bargains than of late, was that it was not accompanied by any obvious bullish news and did look like more than a jockey induced or bear closing affair. For the present, however, the idea that the market may need to consolidate downwards some what can be held intact.

Bovril

Watney is paying enough respect to the notion of board room recommendation actually to make its new (unknown) bid terms for Trumans apparently conditional on it. Contrariwise, Cavenham is having to dismiss the notion, but if history is the guide it will matter a lot in the Bovril case. According to one estimate the percentage of Bovril's ordinary capital now left with institutions after Cavenham's market purchases up to 22.4 per cent (now) would be down to under 4 per cent, which leaves the British

Bovril-shareholding public with the remaining 55 per cent odd.

The new factor is an underwriting for the share element in the Cavenham offer at 90p against 99p in the market combined with a forecast 30-40 per cent increase in earnings. On estimated market values the Cavenham all paper bid would now be worth 483p, and semi-cash offer 460p against 446p for the Rowntree bid. As for Cavenham's share rating, the middle of the forecast range would raise our figure of 4.2p for 1971-72 earnings on a normal tax charge to 5.7p for a p/e ratio of 17.1.

It has yet to be seen if Cavenham's paper offer will rise in value and change the equation, but at present we have a modest 8 per cent differential here, from the Rowntree bid, while the 3 per cent gap on the underwritten offer may be insignificant to the average private shareholder, who may have more or less logical scruples about capital gains tax. The chances are that Cavenham could not gain a majority without further sub-

stantial market purchases, and these will be more difficult now. However, the issue will surely be undecided by next Tuesday, the expiry date of Rowntree's present bid.

Liverpool Post

The Liverpool Daily Post's first-half profits, down 13 per cent at £1.17m. before tax, are uninspiring, but they might have been worse considering that the postal strike took a large hit out of both advertising revenue on the newspaper side and contracts for mail order houses in the printing division, while the high unemployment levels on Merseyside were a further restraining factor. Profits are still just ahead of the comparable 1969 level, and with the group hopeful of better figures for the second half it looks as though the drop for the full year could be held in the 5 per cent region.

At the moment the seasonal trough makes it hard to find evidence for a recovery in the volume of advertising, but

unless the mini-Budget totally fails to achieve its object there ought to be an upturn this autumn. In addition, the current half will get six months' benefit from the advertising rate rise last April, while in the same period the Daily Post's 1p cover price rise from July will be worth some £50,000 to revenue.

Outside U.K. newspapers the group should hold its own: the printing side will not have the postal dispute to worry about, the paper business, linked with packaging, is insulated from the worst effects of the industry's slump, while the Canadian newspapers are doing well. A prospective p/e of 10 at 130p could be taking caution too far.

See also Page 18

Letraset

The market took pleasure in Letraset's 1970-71 figures yesterday—a strong market for a month or so now, the shares rose another 3p to 38p—although it is hard to see quite why. Granted profits are up by

a temporary bonus, but at least the new system means that supernormal tax charges are a thing of the past. So a p/e of around 15, fully taxed looks a reasonable compromise for the moment.

See also Page 14

Property bids

Town and City's offer for Sovereign Securities is the third property bid within as many weeks to have been accepted from the start by a substantial body of shareholders. With an offer price of 100p marginally above both the market value before the news and a recent (1970) valuation, this fits into a pattern formed by the bids for Westminster—below some estimates of the asset value—and City Hall, which was below the share price. The point that property shares cannot be simply taken as a sector may now have been taken, with a modest overall performance this week masking a fair amount of action among the second liners.

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COVERPLAN
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personal insurance
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**Weather**

U.K. TO-DAY
N. and W. Scotland: Mainly S. Scotland, N. Ireland: Rain, fine, becoming brighter. Most heavy at times. Cool in N. Normal temps likely in S.

London, S.E. Cent. S. England, Anglia, E. Midlands, Cheshire: Rain early. Sunny spells later. Wind, S.W. light to moderate. Normal. Max. temp. 21C (70F).

S.W. England, S. Wales, W. Midlands: Scattered showers, brief sun spells. Wind variable or S. Light. Max. 19C (66F).

N. Wales, N.W. Cent. N.E. England, Isle of Man: Cloudy. Rain at times, perhaps fresh. Rather cool. Max. 15C (59F).

N. Ireland, S.W. Scotland, Glasgow: Rain at first, bright spells in. Wind, N.E. moderate or fresh, perhaps strong. Rather cool. Max. 15C (59F).

Edinburgh, Dundee, Caithness, Orkney, Shetland: Sun, bright spells. Mainly dry. W.N.E. moderate or fresh. Max. 14C (57F).

Rest of Scotland: Isolated showers, sunny spells. Wind N.E. moderate or fresh. Max. 14C (57F).

OUTLOOK: Mainly dry in N. with normal temperatures. Some rain in S.E., perhaps dry. Rather cool.

BUSINESS CENTRES

	Y'day	Mid-day	Y'day	Mid-day
Amsterdam	20	20	Madrid	3
Ashraan	5	41	Manchur	3
Beirut	29	54	Melbourne	C
Berlin	14	51	Montreal	S
Berlino	23	73	Moscow	S
Birmingham	17	63	Munich	P
Brisbane	12	63	Newcastle	P
Budapest	25	77	New York	P
B. Aires	9	48	Paris	P
Calgary	24	51	Prague	P
Cardiff	21	61	Rio de J.	P
Cologne	18	64	Rome	P
Dublin	15	59	Stockholm	P
Frankfurt	21	72	Toronto	P
Geneva	27	57	Sydney	P
Glasgow	12	54	Tehran	C
H. Kong	27	81	Tokyo	C
Johore	8	62	Toronto	C
Lisbon	17	62	Vicenza	S
Ljubljana	19	61	Warsaw	S
Luxembourg	17	65	Zurich	S

HOLIDAY RESORTS

	Y'day	Mid-day		
Alicante	6	29	S. Italy	
Alexandria	29	54	Istanbul	S
Alicies	5	36	Jersey	C
Athens	36	97	Las Palmas	C
Aveiro	32	72	Lecce	C
Barbados	17	62	Malaga	P
Blackpool	17	62	Mallorca	P
Bordeaux	21	72	Malta	P
Bonnieux	25	77	Moscow	P
Castellon	25	77	Naples	P
Cape Town	17	62	Nassau	S
Corfu	24	84	Nice	P
Durban	26	77	Oporto	P
Faro	21	62	Rhodes	S
Funchal	23	72	Salzburg	S
Gibraltar	21	62	Santorini	S
Grenada	16	61	Tenerife	S
Innsbruck	23	72	Tunis	S
Inverness	13	52	Valencia	S
I. of Man	13	59	Venice	S
F—Fair. S—Sunny. R—Rain. C—Cloudy.				

Public workers to fight on pay

BY ALEX HENDRY, LABOUR REPORTER

UNION leaders representing 6m. public sector workers—from dentists to dentists—yesterday drew up preliminary plans for a counter attack on the Government's pay strategy.

Delegates from 53 unions met at the TUC headquarters in London to discuss how to co-ordinate their strength and skills to try to end public sector workers being discriminated against under the Government's wages policy.

But the suggestion of a "common claim" from Mr. Tom Jackson, general secretary of the Union of Post Office Workers—which ran heavily into debt when it staged a pay strike earlier this year—received virtually no support. He said later: "They were prepared to discuss everything but the one thing, wages, where they are being picked off one by one by the Government."

Mr. Feather said later that further meetings would be held after the delegates had reported back to their executives. The document will be sent to all unions with members in the public sector. He added that the series of conferences among the unions could produce benefits by streamlining negotiating procedures.

New bid possible for BSA, say directors

BY KENNETH GOODING

THERE MIGHT be a new bid for Birmingham Small Arms, the BSA motor-cycles and engineering group which is in financial difficulties. Earlier this week, Dr. Daniel McDonald, the millionaire industrialist, decided against putting any of his £16m. personal fortune into BSA and dropped his scheme for a partial buyout.

Results for the six months to April 30 show a loss of £22.23m. compared with a profit of £56.02m. last year. The mill now being closed is held by the company to be largely responsible for the poor performance.

This bitter reply to Mr. Lynch

for stronger than any other which Irish Premiers have experienced in the past, followed by a meeting of the Unionist Council with Mr. Faulkner. He easily dealt with his hard-line Right Wing, and the council sent its own protest to Mr. Heath over the Lynch pronouncements.

To-day Belfast is relatively calm. A dawn swoop to clear more Catholic barricades met with a mixed but largely non-violent reaction. The week-end will show how effective Army efforts to dampen the situation have been. The continued rain will help.

After an hour's meeting in London with Mr. Maudling, the Home Secretary, the Rev. Ian Paisley said the British Government was seriously concerned over the threat of kidnappings of prominent people by IRA gunmen. "Mr. Maudling said he could not discuss what the Army is going to do, but he said they were taking measures concerning the possibility of kidnappings. They are taking this very seriously," Mr. Paisley said.

It is understood that security chiefs believe internment has added to the danger of kidnappings.

Meanwhile, the position of Lancashire cotton spinners, who will be wound up if no concrete offer has been received for the company's Ordinary Capital by November 30.

This shock news came yesterday in the directors' preliminary report for the year to April 2. The company is not likely to make a profit of £18.68m. compared with a net profit of £63.94m. the previous year.

In April, the company closed its T.M. Hesketh mill at Bolton, and made 250 redundant. At about the same time, it warned that